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ABSTRACT

These three self-contained units of study will help community college students learn about the economics, international relations, and politics of Latin America. Each unit can be used independently and contains introductory notes for instructors, student materials, and a bibliography. Students are expected to read and discuss the reading selections provided. The first unit deals with Latin American economic life. Introductory notes for instructors include discussions of four facets of economic development, reasons why Latin America provides a good model for studying third world economics, and Latin America's relationship to the rest of the Third World. Students read about the perceptions of the international system; the internal organization of Latin American economic life; the modern, criollo, and modified indigenous sectors; different economic formations; and geography and institutions. The second unit deals with the problems of international communication between the United States and Mexico. The introductory section for teachers suggests topics for student oral presentations. Themes for classroom discussion are also included in this unit. Students read about and discuss Mexico in U.S. history and the United States in Mexican history; asymmetrical perceptions and relationships; internal structural changes influencing communications; and possibilities for improving communications. The third unit is concerned with the changes resulting from rapid population growth in Latin America, and more specifically in Mexico. Students gain an understanding of population growth in less developed countries and learn about some of the changes and problems it can create, economically, socially, and politically. (Author/RM)

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SOCIAL STUDIES

ECONOMICS, INTERNATIONAL RELATIONS, AND POLITICAL SCIENCE

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by William P. Glade

and

Emily Baldwin

LATIN AMERICAN CURRICULUM UNITS FOR
JUNIOR AND COMMUNITY COLLEGES

SO 014 028

INSTITUTE OF LATIN AMERICAN STUDIES
THE UNIVERSITY OF TEXAS AT AUSTIN

INSTITUTE OF LATIN AMERICAN STUDIES
William P. Glade, *Director*
Robert M. Malina, *Associate Director*

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Preface

The social science instructional units were developed as part of a project to encourage more, and more accurate, teaching about Latin America in community colleges around the country. One volume deals with history, the other with economics, international relations, and politics. Each unit presents more information about events and conditions in this critically important region, but each also attempts to convey something of the points of view that separate Latin American from Anglo-American understandings of the meaning of those events and conditions. This interpretative dimension, one hardly need add, is the one from which so much misunderstanding has arisen over the years in inter-American affairs.

The primary use of the units will vary: from history (the most richly descriptive of the social sciences) to economics (the one with greatest pretensions to abstraction) and points in between. Specialists in political science or international relations may want to draw on several of the units in discussing how hemispheric relations have come to be so troubled in the last half ot the twentieth century. An imaginative economist might find the unit on Brazilian slavery a useful source of illustrations of differing supply/demand relationships in labor markets. Latin American civilization instructors, who are often in the humanities rather than the social sciences, could conceivably draw on all of the units--as befits the broader outlook of humanists.

Each unit was prepared in a provisional version and subsequently revised on the basis of workshop discussions with faculty members from a number of community colleges. We hope that the authors have faithfully caught and utilized the many useful observations that came up in the workshop sessions.

William P. Glade

CONCEPTS AND THEMES FOR THE STUDY OF LATIN AMERICAN ECONOMIC LIFE
A Guide for Instructors

by
William P. Glade
Professor of Economics
Director, Institute of Latin American Studies
The University of Texas at Austin

INTRODUCTORY NOTE FOR INSTRUCTORS

This unit was prepared chiefly for use in economics courses.* It could be introduced near the end of the typical macro-economics principles course, but it would be almost equally suitable for use near the end of the semester devoted to micro-economics. In either case, it is designed to introduce the student to the situation of economies called, variously, newly industrializing, developing, underdeveloped, less-developed, or simply poor or backward. By concentrating on Latin America, one can provoke far more meaningful classroom discussion than would be possible through a more generalized and abstract discussion of the problems of the entire group of these countries.

One may start with a simple observation. Many of the problems we worry about--balance of payments difficulties, inflation, devaluation of the currency, urban congestion, pollution, and so on--are shared by the whole "Western" or advanced industrial world. Sometimes called the First World, this extends roughly from Japan across the North Pacific to Canada and the United States and thence across the Atlantic to the British Isles, the Benelux, Scandinavia, France, Switzerland, Italy, and West Germany. Other kinds of preoccupations confront the people who live in the Second World just to the east: in the Soviet Union, Poland, Hungary, Czechoslovakia, and so forth. Material problems certainly concern them, especially as they move gradually toward a consumer society, but of paramount importance today are questions of intellectual, religious, and political freedom.

Yet whereas we tend to see the world in terms of this contrast between East and West, between market (or mixed) economies on the one hand and centrally planned economies on the other, both of these units really contain only a small and, all things considered, a privileged minority of the total world population. The vast majority of the world's people constitutes the so-called Third World.

*Other possible uses might be in political science courses or those portions of American history courses devoted to hemispheric relations.

For them, it is not this East-West division that is the crucial or significant one. More important for them is the North-South division, the division that sets apart the great majority of mankind from the life of relative ease that has been ushered in by the scientific and industrial revolutions of the past two hundred years or so. For the Third World countries of Latin America, Asia, and Africa, and significant parts of the Middle East, the great preoccupations are quite different from the matters that trouble either us or people in the Communist bloc. There, the central social issues are not seen to be democracy, not how to protect the environment and conserve and improve civic amenities, not even how to improve the general "cultural" life of the people. The key life experience of this vast population of the Third World is simply development--the struggle for a higher standard of living and all the things associated with that struggle.

The Four Facets of Development

Development is an inclusive term that means a number of things. Let us consider four of them. First and foremost, development involves two kinds of economic processes: 1) economic growth (an expansion of the total output of goods and services the economy is able to produce) and 2) structural change. As economies grow, producing more goods and services, they also must change in their structure. The two are inseparably linked. This is a concept that should be pointed out with especial clarity to students when introducing the topic of economic development, for it means that the countries of the world that are struggling for a higher standard of living really confront, in economic terms, two challenges: how to increase the total amount of output but at the same time how to change the composition of that output and how it is produced. Structural change, then, involves modernizing the agricultural system, shifting land and people out of peasant subsistence agriculture or traditional large estates (haciendas) and into newer methods of commercial farming: a gradual shift from the use of unskilled labor working with little capital in artisan workshops or on primitive farms to the use of highly skilled labor and much capital in modern factories, petrochemical plants, and the like; a greater reliance on banks, capital markets, insurance schemes, savings and loan associations and similar institutions to mobilize savings for large-scale investments; the extraction of more taxes to pay for necessary increases in public investment; establishment of modern education, health care, and research centers, and so on. Useful classroom discussion can be generated by inviting students to give examples of both economic growth and structural change in U.S. experience and contemporary Latin America.

Pedagogically speaking, it should be noted that the foregoing aspects of the term "development" provide an opportunity to elucidate or emphasize a number of key economic concepts that have a general usefulness in understanding the world of today. Among them are the concept of productivity as distinct from production, the meaning and role of infrastructure or social and economic overhead capital, the importance of investment and the distinction between producer goods and consumer goods, and the key role of human resources and labor mobility--not to mention Adam Smith's old favorite, the specialization and division of labor.

The need for structural change means that economic growth is generally dislocating and upsetting. When changes in economic structure are the central life experience, people have to change occupations, learn new skills, reorganize their work relationships, in many cases move from the country to the city and from rural to urban employment, sometimes learn a new language (Spanish instead of Quechua or Maya), and so forth. Along with economic growth and structural change, then, there is a third factor to deal with: social change. Thus, development involves not only economic development but a great deal of accompanying social change, such as new outlooks, habits, and ways of thinking, change in social class relationships and change in the structure and location of population. With improved health systems, nutrition, and sanitation and with the wider use of medicine there will be continued high birth rates. People are accustomed to having large families as a form of social security and only very gradually is it possible to offer them reasonable alternatives. The consequence of this will be a population explosion, with a very large part of the population being under, say, fifteen or sixteen years of age. In some Latin American countries the annual rate of population growth has surpassed 3 percent.

Needless to say, it is well nigh impossible in most instances to raise enough capital to provide productive employment to all the new people entering the labor force each year when population growth occurs at such high rates. Problems of unemployment and underemployment* become progressively more acute, making it impossible for many people to earn more than a meagre income. Migration from the countryside to the cities by people in search of work, together with rapid population growth, results in serious urban problems such as growing shanty towns, because the cities cannot absorb both the in-migration and their own high birth rates and at the same time provide adequate housing. Nevertheless, unattractive as urban life may seem to an outsider, it continues to hold out an appeal to many rural folk, for conditions in the countryside may be even worse: e.g., no schools instead of poor and overcrowded schools, no medical

* Underemployment, a controversial term, refers to work that substantially underutilizes the skills and energies of the workers.

care instead of poor medical services, farm huts that are as bad as urban slums. For example, Mexico City, which had some two million people in 1940, has since grown to over eleven million people at present -- and is expected to reach sixteen million in only a few more years. By the end of the century, it may range upwards of twenty-four million souls.

As if the foregoing were not already problem enough, we are frequently reminded by Latin American experience that development includes a fourth factor: political change. The social change that goes along with economic development normally produces a great deal of stress and conflict in the political system, not least between those who want to hang onto customary privileges and those who would like a larger slice of the pie. This has to be managed somehow. As the people of the Third World confront the problem of economic development and social change, with all their tensions and stresses, their political systems have to find means of either supressing conflict (as when military governments take over) or accommodating and resolving it. The Mexican Revolution that began over fifty years ago was the first of these modern political-social conflicts in Latin America, perhaps in the Third World as a whole, but the political change associated with development has also taken a violent form in such other countries as Bolivia, Cuba, Brazil, Colombia, Chile, Guatemala, Nicaragua, and the Dominican Republic, to mention only some examples from recent years.

These four factors taken together, then, are generally what is meant when one speaks of development. Increasingly, in the quest for development, economic policy debates have revolved around two principal issues. The first of these issues concerns the methods to be used for increasing the growth of the total output, especially how to raise the growth rate and keep it high enough above the population growth rate so that eventually a higher standard of living can be attained. In general, this has been the major concern since World War II in most discussions of economic development. Increasingly today, however, a second issue is coming to the forefront, one that is very much involved with the process of social change and political stress. This is the issue of the redistribution of income and wealth. In Latin America as elsewhere, people have come to perceive that economic growth of itself may not do much to improve the lives of many in the absence of policies designed to broaden distribution of the benefits of growth and to involve more people as participants in the system. Many people, an increasing number in absolute terms, simply feel left out or left behind and are less willing than they formerly were to put up with this deprivation. Throughout the Third World, in fact, the crucial policy issue is coming to be the pattern of economic distribution, the redistribution of wealth and of income into a socially more acceptable pattern. From the revolution of 1968 onward, for example, Peruvian political

change was oriented much more toward the problems of distribution than toward the problems of maintaining a higher growth rate. The previous fifteen years or so had brought a relatively high rate of growth in GNP but had done very little to redress the quite lopsided distribution of income and wealth that had characterized that country for centuries. In Argentina, from the early 1940s, a protracted political conflict over the distribution issue eventually led to such a crisis in policy-making that even the growth rate suffered, despite the country's impressive resources. The tragic conflict that overtook Chile in the 1970s provides yet another example of vigorous social dispute over the distribution question.

If all this is what preoccupies most of the people in the world, Latin America provides an especially advantageous window on this complex group of processes. One of the things that one accomplishes through a study of Latin American economics is providing students a view of what is going on that exemplifies the life of most of the world's people, that affects most of humanity.

Latin America: A Good Model for Studying Third World Economies

Latin America provides this convenient window for several reasons. First of all, it is for us the most geographically accessible portion of the Third World. With travel costs going up as they have, more people will have an opportunity to travel to Latin America--certainly to Mexico and perhaps to Central America--than to Asia or Africa. Indeed, some of one's students may already have traveled to Mexico (or elsewhere in Latin America) and be able to share with the class their firsthand observations of what development is all about. Thus, Latin America is a part of the Third World that we can talk about with some likelihood that our students may actually be able to go there and see how life goes on, to see what they have been studying about. Tremendous lessons can be learned from field trips to Mexico, if students are alerted beforehand to what to look for.

A second reason that the Latin American case is so useful is that it is also linguistically accessible. Practically speaking, no matter how much we wish that we as well as our students would learn more foreign languages, it is not very realistic to expect that any significant number of Americans will ever learn Hindi, Arabic, Chinese, Swahili, or other non-Western languages. However, since Spanish is the most widely taught foreign language in the United States, there is some realistic hope that our students can learn enough Spanish that they can actually relate reasonably effectively to people in Latin America, far more so, at least, than they could in Africa or Asia or elsewhere. Moreover, over most of the United States, the student has more opportunities to meet people from Latin America than people from other parts of the Third World. Fairly readily, too, they can pick up magazines and news-

papers and read what is being reported about Latin American economic life, social change, political stress and tension, and what the people in the region themselves are thinking about these matters. We cannot study about all the Third World and know it in equal detail, but we do have special advantages, particularly in Texas and the Southwest, in learning about the part of it that lies just beyond our southern border.

There is also a further reason why the study of Latin America provides an advantageous way to learn about the Third World. Latin America is that part of the Third World that has historically interacted most closely with the United States. It affects our daily lives and we routinely come in contact with it. What goes on in Mexico, Panama, Venezuela, or Brazil is ordinarily far more immediately consequential for life in the United States than what goes on in, say, the Ivory Coast, Uganda, Tunisia, Turkey, Afghanistan, Burma, or Cambodia. Thus, economically, commercially, culturally, and through political ties such as the Monroe Doctrine and the Organization of American States, Latin America is the part of the Third World that may be the most meaningful for most of our students.

Finally, if the study of Latin American economic development is valuable because it provides insight into the conditions of the life of people in other sets of circumstances, it is also important because it can well lead the student to understand more about his own economy, by way of contrast. Many people, not only students, tend to take a lot about our society and our economic system for granted, simply because it is all around us. We read about it, but we don't really think explicitly about it. Very likely, then, the net result of exposing students to a quite different kind of economic system is that it will sensitize them to the characteristics of their own economic system. They will become more aware of what has been going on in U.S. economic experience and U.S. economic organization because of the contrast. Moreover, some students will be able, in studying Latin America, to gain a more solid understanding of the problems of different parts of the United States, including parts of Texas. The need for programs of economic development, the struggle for a higher standard of living, is not, of course, something unknown in the United States. We, too, have our poorer regions, regions that have fewer resources, lower incomes, and problems with nutrition and health. As these conditions are to some extent shared with Latin America, in looking at Latin America students may learn not only about our own economic system but also about some of the special problems that affect the poorer areas of south Texas and similar areas elsewhere.

Latin America in Relation to the Rest of the Third World

It is important at the outset, however, to recognize the fact that Latin America is not exactly like all the other regions of the Third World, an area that includes a great many countries and a great many different cultures. Latin America is relatively better off, on the whole, than most parts of the Third World. It is certainly better off than Africa in terms of the average level of living, per capita income, illiteracy indicators, industrialization, and the like--and far better off than Asia. It is a region that has already experienced kinds of development problems that will still confront most of Asia and Africa in the future. In this sense, to look at the Latin American experience is to some extent to be able to anticipate what might happen to some of the other regions of the world.

At the same time, Latin America itself is a tremendously diverse region, the differences between, say, Argentina and Haiti being greater than the differences between Argentina and the United States. Students need to be made aware of this diversity, which includes regions that are rural and pre-industrial and others that are modern in every sense. In some parts of Latin America there are regions that are just about as poor as anything one would find elsewhere in the Third World. Certainly, the conditions of life in the interior of northeastern Brazil, in Haiti, in Bolivia, in Paraguay, to mention only a few, begin to approximate what one would find in parts of Asia and Africa: regions of dire poverty, very few resources, very little experience in managing complex economic organization, and so forth. At the same time, the urban-industrial complexes of São Paulo or Buenos Aires rival the technological advancement of at least some of the countries we think of as already developed. From a pedagogical point of view these contrasting regions provide a convenient laboratory. There we can find the modern and relatively advanced co-existing with the extremely underdeveloped and impoverished. Even though Latin America is not typical of the Third World in every single respect, it does have enough in common with other less developed economies to be an especially instructive region to look at.

Pedagogical Hints

In talking about the Latin American countries, I have avoided references to facts and figures on population, income levels, and similar matters. In a rapidly changing area like Latin America these things become outdated very quickly, and it is probably best just to let students know where they may go to find them. There is little value, aside from giving students some general approximations of size, of countries' per capita income levels, and the like, in mentioning facts and figures that will soon be obsolete--and not very interesting before they are.

The minimum essential quantitative information can be readily obtained by the students themselves from sources cited in the bibliography.

On the other hand, it should be noted that this whole area of discussion readily lends itself to an effective use of visual aids. One can easily find pictures in magazines, books, and the slides that people take on their trips to illustrate every segment of economic activity that we have discussed. Films such as "Double Day," which deals with women in the workforce in Latin America, can be found to illustrate quite well the whole range of economic sectors, but the instructional impact can be fully realized only if the student has some interpretive, analytical framework within which to assimilate the facts, figures, and films.

There are a number of basic economic concepts that one may or may not want to highlight in discussions of economic structure of Latin America. In the different levels of figure 3, for example, one might want to point out to students the types of goods that are involved in the different sectors of the economy. In the modified-indigenous sector of the economy, most of the goods and services are consumer goods and services, of a quite limited variety. Producer goods and services are also both limited and primitive. As one moves toward the modern sector, producer goods and services, of a greater variety, become increasingly important as part of the total number of goods and services used.

Another, related concept one might want to stress is the concept of infrastructure. This is a topic about which there is a great deal of discussion in Latin America and the developing countries generally. By infrastructure, of course, we mean those basic industries and activities that support the productivity of all the others: for example, the electric power industry, the transportation industry, banking, basic commercial and financial services, health, and education. The infrastructure or the supportive foundation enhances or improves a broad range of other production activities. The traditional sector of the economy, among other things, is distinguished by the fact that it gets along with very little in the way of infrastructure. People and animals provide the transportation, and the power is provided by animals or sometimes by burning wood. As one moves to the upper layers in our diagram, one moves into a portion of the economy that depends much more heavily on the massive doses of infrastructure, another basic aspect of economic development.

PERCEPTIONS OF THE INTERNATIONAL SYSTEM

At the outset we may remark that the world looks very different from the Third World perspective than it does from the vantage point of the so-called First (Western) or Second (Communist Bloc) world. Let us examine, then, these contrasting perceptions of the international structure. What does it mean that the whole economic system looks so different from the Third World perspective than it does from our own? As we go into this, we shall begin to see why one encounters such contrasting perceptions, attitudes, and beliefs, and even finds conflicts developing within the Western Hemisphere.

All of us, with the best intentions, like to stress the Good Neighbor Policy, the positive linkages that have developed among the peoples of the Western Hemisphere. We undeniably have a lot in common: political ideals, cultural ideals, and religious ideals. We are part of the same Western culture. Yet in spite of this, in spite of such good efforts as the Good Neighbor Policy, the Pan American Union, the OAS, and all the inter-American treaties, the sad fact remains that there is a great deal of conflict in the Western Hemisphere between the North and the South, between Anglo-America on the one hand and Latin America on the other. This conflict stems in no small degree from the fact that Latin America is part of the Third World and tends to see things quite differently from the way we see them.

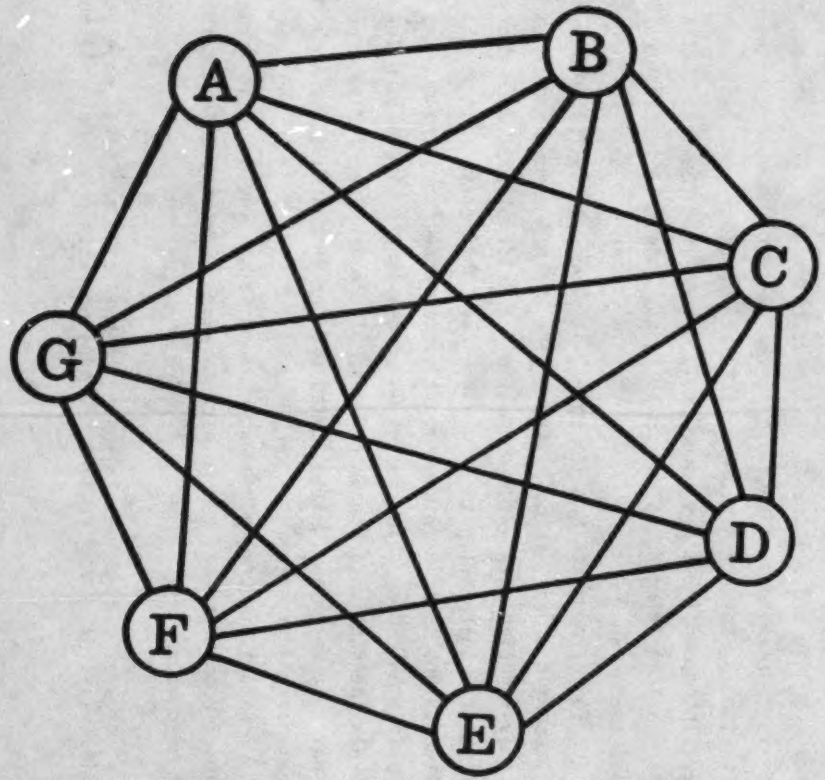
To introduce this major point, it should be useful to try to develop and present a cross-sectional view of the Latin American economies and describe how they function within the context of an international economic system. It is particularly instructive to show where the conflictive relationships and the contradictions in this international system come from, inasmuch as Latin America has played a leading role, in the UN and elsewhere, in calling for the creation of a New International Economic Order. Figure 1 on the following page illustrates the way that we in the United States ordinarily perceive the working of the international economic system.*

As this figure indicates, we tend to see the world in terms of interdependent national economies that are related to each other, economically speaking, through four main ways:

*To a large extent, as we shall see, this is also the pattern we use for perceiving relations among regions and sections within our national economy.

FIGURE 1

Prevailing U.S. Perception of the Structure of the World Economy



Notes on diagram:

1. Circles represent the individual national economies
2. Lines represent trade flows and movements of investment capital, etc.

The basic concept is that each system specializes in those activities in which it is, comparatively, more efficient and that all countries benefit mutually from this global division of labor by exchanging goods and services with one another in world trade. Mutual benefit, interdependence, and advantageous specialization are key notions in this world view.

1. The economic systems interact through the flows of goods and services; exporting and importing take place and relate each economic system to all the others.

2. A second linkage that has been very important historically consists of the flows of capital investment from one economy to another. The richer economies, which have more capital to invest, which have higher incomes and therefore a possibility of greater savings, have invested a portion of their capital in those economies that have smaller amounts of capital and lower incomes. This transfer boosts the latter's productivity, so that eventually the investment may be amortized and repaid. Thus, a second capital flow among these national economic systems takes place as interest and dividends are paid on the transferred capital and as the investment itself is repaid.

3. At various times--though not too frequently in world history, all things considered--there has been yet another flow, a flow that has been historically important in linking Europe and the Americas. To some extent it is important here in Texas even today. This is the flow of labor. Thus, another linkage from time to time has been the movement of people from one economy to another, to economies where land and other resources (and job opportunities) are relatively more abundant. Even though we no longer have the massive migration of labor that once came across the Atlantic to settle Canada, the United States, the Argentine, Uruguay, and southern Brazil, there are still important flows of specialized and skilled labor, as engineers, scientists, agronomists, and others move from country to country in this intricate complex of relationships. In some instances, less skilled labor also still moves across national frontiers: e.g., from Mexico to the United States, from Guatemala to Mexico, from Bolivia to Argentina, from Colombia to Venezuela, from Haiti to the Dominican Republic, to identify some of the more notable streams of migrants.

4. Finally, no less important is the flow from country to country of such things as economic organizations (e.g., the idea of establishing corporations to combine resources for larger business dealings, or setting up cooperatives and labor unions for achieving certain ends), of economic know-how (e.g., techniques such as bookkeeping, insurance, and new ways of processing materials), and finally, science and technology. These latter two, of course, are of absolute crucial importance.

There are, then, these four kinds of linkages: 1) of goods and services, 2) of capital investment, 3) of labor, and 4) of economic organization, know-how, science, and technology. Binding them all together are the complex flows, both formally and informally organized, of an information network that has become increasingly dense and rich as the world economy has evolved. In the United States we tend to organize our thinking around these linkages. We see the international systems as consisting of different national economies, each of which tends to be relatively more efficient in producing some things than other things for a variety of reasons. Each country tends to specialize in that which it can

do best, and it trades with the other countries for what they can do best. With specialization along the lines of efficiency, each country benefits mutually and we all are better off because of international economic linkages than we would be otherwise. Mutual benefits, interdependence, and advantageous specialization are the key notions in this particular world view.

On the following page it can be seen how differently Latin American (and other Third World) countries perceive this whole system. If we look at figure 2 we see a very different kind of model, or paradigm, representing the view of the world economic system that prevails in Latin America.*

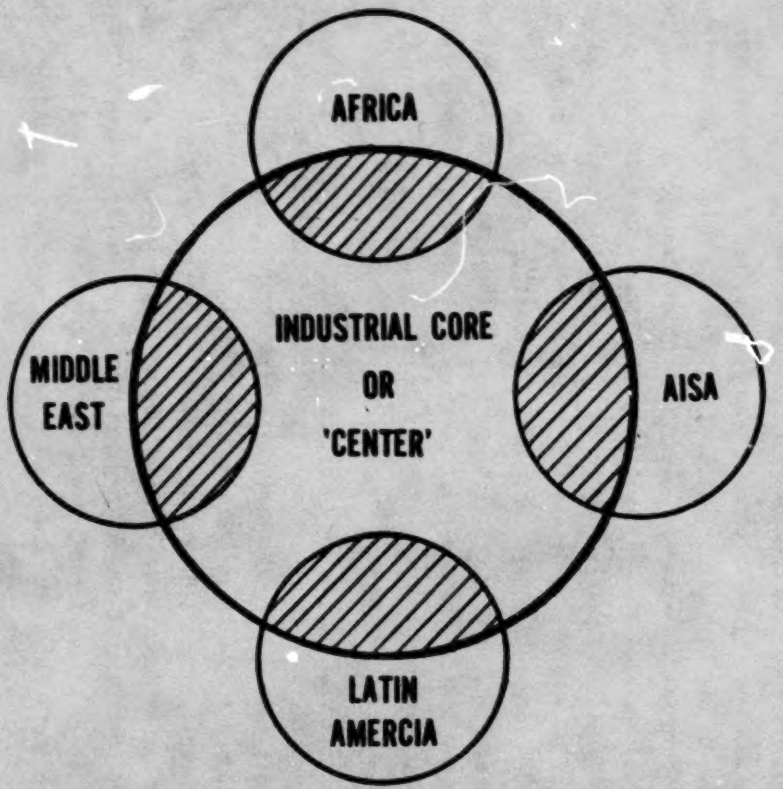
This figure makes plain the major features of the way the Latin Americans and, to a great extent, most of the Third World people look at the international system. Their perspective, incidentally, was largely developed and propounded by the UN regional commissions, and since embraced by intellectuals in other parts of the Third World. Essentially, this Latin American counter-perspective identifies two major participants, or categories of participants in the world economic system. One consists of the so-called center, which includes the First and Second World countries that we mentioned at the beginning, i.e., the industrialized countries, the countries of the North Atlantic and North Pacific, all of which are relatively affluent. The other category of participants includes the so-called periphery: the less developed, the less prosperous, the less industrialized, and the less urbanized portions of the world. Instead of all the economies being interdependent and trading various kinds of things back and forth to mutual advantage, the tendency in Latin America is to see the system in terms of dependency, not interdependency. It is pointed out, not without some basis in fact, that the economies of Latin America do not really interact much, say, with the Middle East, with Asia, or with Africa. And the same is true of each of the other less developed regions of the world. Instead of interacting among themselves as well as with the industrial countries, the economies of the Third World find that the major economic and commercial ties relate each of these world regions separately to the countries of the industrial center. And the relationship that binds each of these peripheral countries to the industrial center is, it is claimed, essentially a dependency relationship. The basic concept, then, is that all economic systems are not equal, nor do they derive equal benefits from participating in the world system.

From this standpoint, the industrial core or center countries are the powerful economic nations, the sources of industrial capital for overseas markets, and the suppliers of technique, science, and know-how to the more backward national

* Again, as will be noted a bit later, this perspective is also one that is often transposed to the domestic or national economic structure. The concept of "internal colonialism" refers precisely to this, to the domination of the less developed sectors and regions within a national economy by the most advanced sectors or regions.

FIGURE 2

Prevailing Latin American Perception of the Structure of the World Economy



Notes on diagram:

1. The Industrial Core or 'Center' represents the advanced industrial economies -- U.S., Japan, Canada, Europe (including the USSR).

2. The other world regions are collectively called the 'periphery.'

3. The shaded segments are enclaves: i.e., those portions of the 'peripheral' economies which intersect with the 'Center.'

The basic concepts are that not all economic systems are equal and that they do not derive equal benefits from participating in the world economic systems. The so-called peripheral economic regions do not relate much to each other, are chiefly influenced by their relations with the powerful national economies of the industrial core, and are even (usually) internally divided or segmented (see **Figure 3**). Key notions in this world view are inequality, dependency, neo-colonialism, and conflict.

economies. The center economies are said to derive the dominant advantages from world trade and to control the terms on which each of the peripheral regions relates to the global economy. By virtue of their technological leadership, it is they who reap the extra profits that are conferred on firms and economies by being in the forefront of industrial countries that dominate the world market, determining in large measure how the world's resources are to be used. The so-called peripheral economic regions, in turn, do not relate much to each other; they are chiefly influenced by their relations with the powerful national economies of the industrial core and are usually divided and segmented, internally speaking. The keynote of this world view is inequality in a whole variety of ways: income, economic capabilities, and know-how. Dependency means, among other things, that Latin America is dependent on the industrial core or "center" for investment of capital, for science and know-how, for markets for its exports, and for supplies of its imports. Neo-colonialism and conflict prevail. Even where countries have, as they have in Latin America, achieved political independence, they have remained economically dependent for a long time and subject to the economic influence of the powerful. Old-fashioned colonialism, based on political control, has increasingly been supplanted by this neo-colonial system of economic control.

As is shown in figure 2, certain segments also capture an idea that we shall examine in more detail in a moment, namely, that the economies of the periphery countries are internally divided in a very significant way. Only part of them--sometimes called enclaves--readily relates to the world economies, to the modern factories, shipping lines, airlines, and so on. Much of the rest of economic life in each of these areas remains more or less on the sidelines, operating much the way it did before this modern enclave sector existed.

We have, then, sharply contrasting views of the international economic structure. We may live in the same world, but it looks very different depending on where one is standing.

Internal Organization of Latin American Economic Life

Next, we may turn to the internal structure of the Latin American economies. To a very significant extent, the particular kind of structural relationships we saw when we looked at the Latin American view of the world depict how these economies are internally organized. Why are they on the periphery rather than in the center? Why are they dependent economies? Why do they believe themselves to be subject to neo-colonialism? Why do they see themselves in conflict with the center countries, or at least see their interests as so divergent at times? Why are they not related to the world system the way we, or Belgium or Switzerland or Norway, might be related to it?

The reason is that we are dealing with a different kind of internal structure, not the kind of internal structure that we are accustomed to in our own national economic system. If we examine the prevailing perception of our domestic economic system, we shall see that we tend to view it in the same way that we think of the international economic system. We tend, in other words, to look at our national economic system as an integrated unit, just as we see the international economy as a larger scheme of integration. Our national economies are integrated by various kinds of interrelated markets: labor markets, capital markets, markets for commodities, for natural resources, goods, and services, the information markets, and the like. Acting in concert, these markets weld our national economic system into a more or less smoothly functioning unit. Admittedly we have our recessions and inflations from time to time--sometimes both at the same time. In good times and bad, though, what happens in each part of our national economy is much influenced by what happens in another part of the economic system. Thus, we are dealing with integrated economies, true national economic units.

Development economics in the post-World War II period, however, became increasingly aware that outside the North Atlantic industrial community and Japan, national economies were not generally as well integrated as we are accustomed to their being. They do not hold together so effectively and their constituent parts do not operate so effectively in concert on the basis of these various market mechanisms. The realization was increasingly unavoidable that different parts of the geographical units called national economies in the Third World are in fact organized by somewhat different sets of relationships. To go back to our picture (figure 2) of the Third World industrial center and the peripheral countries, the revelation came that the unshaded portion of the national economies in Latin America or in the less developed world as a whole tend to be organized quite differently from the shaded portions. Different relationships and different structures prevail in these two portions of the economic system. And with this insight, there came into popularity the concept of economic dualism. Thus, in talking about Latin America, Africa, or Asia, we are talking about economic systems that are dual economic systems.

Two-sector models were developed for analytical convenience. The distinction was generally made between a) a modern sector, the sector that is affected by world-wide trends in interaction with exports and imports and foreign investment, the sector with modern economic organization, and b) the traditional sector, which is to a large extent pre-modern, pre-industrial, and pre-urban. Sometimes the two-sector model is stated in terms of the commercial sector, the sector that produces goods and services on the market, and a traditional sector that has been looked at as a subsistence sector. In the latter, much is produced on the farm

for the consumption of the farm family, and people tend to produce much of their own clothing, cooking pots, simple tools, implements, and the like. Commercial farmers producing sugar on large plantations, for example, may be greatly affected by fluctuations in the world price of sugar or variations in the price of fertilizers; the peasant cultivator, on the other hand, would probably go his way not much touched by either of these price gyrations. Although this insulation may have its advantages in times of capitalist adversity, it also means that the peasantry tends to be left farther and farther behind as the rest of the economy moves to higher levels of per capita income. Moreover, it also places the peasant cultivator always near to disaster from natural causes, in a state of permanent adversity, as it were.

Although the dual economy model has a lot to recommend it, for our purposes it may be more useful to think of the sort of three-sector model portrayed in figure 3 on the following page.

The addition of a third sector to the model makes for increased insight into what goes on in the typical Latin American economy. The top level of these three layers of economic structures one might think of as the modern economy, the advanced industrial sector, in terms of the system of production. In contrast, the middle level includes what is called here the criollo sector and lies on the fringes of the modern sector. This is a local sector that is not indigenous in origin and in which the forms of economic organization are certainly European in origin, but more old-fashioned and not as highly developed as the modern sector proper. Here, management and labor relations systems are more traditional, production methods are more dated and less capital intensive, and the average size of the firms tends to be smaller. At the bottom of the figure is a layer representing the remnants of the production systems that existed in the Americas prior to the arrival of the Europeans. The three sectors should not be thought of as entirely separated from each other, for in truth there is some degree of interpenetration between them, some interaction occurring among them at all times.

It is instructive to examine in some detail the contrasts among the three sectors: 1) the modern economic sector, 2) the criollo sector, and 3) the modified indigenous sector, the last of these being what is often called the subsistence or traditional sector.

The Modern Sector

In Mexico and elsewhere in Latin America the modern sector generally includes branch plants of some of the major U.S., European, and Japanese corporations. To some extent, these companies tend to be engaged in export production, as in the case of the banana plantations of United Fruit, the copper mines of Chile (until they were nationalized), or the petroleum companies of Venezuela (until they, too,

FIGURE 3

Prevailing Perception in Latin America of the Fragmented National Economic Structures of One Region (Internal Colonialism and 'Dualism' Ideas)

Economic Activity

SEGMENTED 'SECTORS' OR SUBSYSTEMS	PRODUCTION	DISTRIBUTION	CONSUMPTION
I. MODERN ECONOMY SECTOR	Multinational capitalist firms Export oriented Locally oriented 'Parastatal' firms Export oriented Locally oriented National capitalist firms Export oriented Locally oriented	Exporting and Importing firms. Supermarkets and other elements of modern marketing systems.	Wide range of goods and services (including imports), for both consumers goods and western producers.
II. 'CRIOLLO' SECTOR	Small factories, mines, and semi-commercial farms, haciendas.	Small shops, provincial and rural marketing networks, periodic fairs or markets.	"Old fashioned" goods and services of a limited variety, mainly for consumers but some simple machinery. Modest purchasing power.
III. MODIFIED INDIGENOUS SECTOR	Semi-subistence agriculture. Customary crafts and services	Periodic market networks. Consumption of home-produced items.	Very limited range of goods and services, very few capital goods. Very limited purchasing power.

were recently nationalized). In a growing number of cases in the last forty or fifty years, however, these modern multinational enterprises have been set up as manufacturing concerns to serve the local market, producing steel, automobiles, glassware, chemicals, and a wide range of products for, say, the large Brazilian, Mexican, or Argentine markets. On the whole, these large modern corporations use modern techniques in their productions, employing quite a bit of machinery and equipment of the latest type.

In the modern sector one also finds the national capitalist firms, that is, large modern corporations, factories, insurance companies, banks, plantations, mines, and the like owned by Mexican investors, Brazilian investors, or Venezuelan investors and so on, depending on the country. Most of these also use the latest techniques, equipment, machinery, and product designs, producing partly for export but mostly for the local market. They, too, employ relatively large amounts of capital, modern management, accounting techniques, and modern methods of engineering science. Not infrequently, these nationally owned firms will utilize technologies leased from companies in Europe, the United States, or Japan.

Of quite considerable importance is the fact that a very sizable part of the modern sector in most of the countries consists also of what is generally called the parastatal firms. These are the firms or large corporate enterprises that are owned and operated by Latin American governments, occasionally with some participation by private investors. Our own national government does not operate very many production enterprises. To be sure, we have the TVA, the Lower Colorado River Authority, and a few other public enterprises. But in Latin America, much more than here, the governments of the region have taken major responsibility for promoting the establishment of large modern companies. A common feature of much of the Third World, in fact, is that the government operates a great many of the modern enterprises. In Venezuela, for instance, the government operates major steel mills, an aluminum factory, and the major petroleum companies. In Brazil, the major steel mills are operated by the government, and the petroleum company there has been operated by the government for a considerable number of years. The large electric power companies in those countries, as well as elsewhere in Latin America, also tend to be operated by the governments, as are many banks, petrochemical plants, railway companies, commercial airlines, and still other types of businesses. Moreover, the fact that more of the economy is organized by the government has little to do with political ideology. One finds important government-owned companies in countries that have conservative governments as well as in countries with liberal governments, in countries with civilian governments and ones with military governments. The government does this not because it in most cases is committed to socialism--that really does not have

much to do with it--but because it identifies development with these large corporations and feels that the government has to support them, to establish them, to encourage their growth in order to help modernize the economic system. According to one recent survey, about half of the largest Latin American-owned non-financial enterprises are government corporations.

The modernity exhibited in production organization carries over into other aspects of the economic system such as distribution. In Mexico as well as in other countries there are, for example, large exporting and importing firms that use teletype services and all the other modern means of communication to keep in touch with markets all over the world. Major ports, banks, transport companies, and other businesses, including branches of important international firms, are in daily touch with the world market and use very much the same business methods that we use. Along with the large factories have come the supermarket, the shopping center, the discount house, Sears and Roebuck--in short, all the local elements in the modern distribution network. Of this there are elements in almost every country, certainly in Mexico City, São Paulo, Buenos Aires, Lima, Caracas, Santiago, Bogotá, and many of the numerous other large modern cities in Latin America. These have almost everything we are accustomed to find in our own daily shopping rounds.

So much, then, for the modern economic sector, the sector that in Mexico is concentrated in the Federal District, in Monterrey, and in Guadalajara and Puebla, with additional factories and other modern installations here and there. For Latin America as a whole, it is Brazil, Mexico, and Argentina that have the largest modern industrial sectors, followed by Colombia, Chile, Venezuela, and, perhaps, Peru as "middle range" countries. The rest of the countries trail behind in this respect, although Uruguay and Costa Rica, both very small countries, are relatively advanced or modern.

The Criollo Sector

Next comes the rather substantial sector that we have called the criollo sector. This emerged during the colonial and nineteenth-century experience in Latin America and remains an important part of the economic picture in many countries. The criollo production sector includes the small factories and workshops, the smaller mines, the semi-commercial farms, and haciendas. These are the enterprises that tend to be distinctly less advanced in their management techniques and organization. They are usually not corporations and most often operate as family enterprises. They also tend to be much smaller in scale than the firms of the modern sector, except for the large haciendas, but even in the case of the haciendas it is usually ownership rather than production management

that is large scale. They use much less machinery and equipment than do the firms of the industrially advanced sector, and what they use is ordinarily of a rather old-fashioned sort. They tend to rely more on labor than on capital, but not the highly skilled, technical type of labor employed in the modern sector. The criollo mode of production prevails in much of Latin America, particularly in the provincial regions outside the major centers. Most countries have some large mines, large factories, large banks, and so forth, but much of the economy may consist of these smaller, less technically sophisticated enterprises.

Parallel to the criollo production sector is a vast segment of similar organizations for distribution, finance, and other services, a sector consisting of the small retail shops, moneylenders, the rural marketing networks, and the peddlers and periodic fairs that take place throughout the countryside in the small towns and villages. Many goods still get transferred eventually from producer to consumer in just this sort of old-fashioned marketing network. In many places in Latin America one finds shops resembling the general store of some generations ago: small stores, "Mom and Pop" stores as they are sometimes called, with little use of modern displays, primitive inventory policies, and conditions for storage that leave a great deal to be desired. (This last aspect is especially costly to society in that much of the agricultural produce that is harvested tends to be lost or destroyed before it reaches the ultimate consumer.) This distribution system tends to be made up of many small firms, scattered and not very well managed in the modern sense, and with relatively high costs of marketing (of moving goods from the producers to the consumers) on account of the generally low efficiency of the sector.

Modified Indigenous Sector

Finally, there are the remnants of the pre-European types of economic organization as modified in the early colonial era. One can find this even in Mexico and Brazil, but to a greater extent it is prominent in some other countries, particularly Guatemala, Ecuador, Peru, and Bolivia. In regions where there was a large pre-Colombian population, the indigenous population has often continued to follow, at least partially, the way of life they had before the Spaniards came. Although they certainly picked up many of the Spanish techniques of agriculture and crafts, much of what they had been doing before Columbus arrived continued to be practiced thereafter. The Indian markets, the craftsmen, the small farmers who with a digging stick farm their cornfields on the mountainside--here we find, looking at the techniques of production, very simple economic organization, not large-scale corporations, not even the middle-sized firms of the criollo sector. Furthermore, the small farms and household or cottage industries rely on techniques that have changed little for several

hundred years, and not very much capital equipment is involved. Here one comes to those sections of the distribution system of most interest to tourists: the Indian market, where one finds vendors wandering along the streets or setting up displays and selling on the sidewalks and in the plazas their crops and handmade wares.

The Coexistence of Different Economic Formations

The interesting thing about Latin America is that so much of it is like a museum. One can go and actually see, even in Mexico, next-door to the United States, an example of all these forms of economic organization, depending on the part of the country one visits. To be sure, the countries do differ. In Argentina, for example, one cannot find all three sectors, at least not on any significant scale. There is practically no indigenous sector and the modern sector is far greater than the criollo sector in relative importance. In Costa Rica, another place where there is no significant indigenous sector, the criollo sector may be of equal importance to the modern sector. In Haiti there is almost no modern sector at all, and the criollo sector is probably much smaller than the subsistence sector. In Peru, one of the most interesting Latin American cases, there are good examples of all three sectors. Ecuador, Bolivia, and Guatemala are other countries offering clear examples of all three sectors. The mix of sectors differs from country to country, and this should be pointed out. Thus, one can use this classification to sort out the differences in the mix of the different portions of the economy from country to country.

Again, it is important to keep in mind that these classification categories do not identify totally separate and distinct economic compartments. There is a lot of interaction among these segments of the economy. I remember, for instance, going once to a native market in the highland regions of Guatemala and buying, in the pottery section, an attractive little clay vessel. It was, I thought, not only well designed but also quite expressive of the handicraft technique of the Indians of that remote part of Guatemala. After getting home, however, I discovered, while examing the canteen-shaped jug more closely, that there was an interesting design apparently impressed on the sides: the design of the old Ford V-8 hubcap that had been used to model the vessel! Unfortunately, however, not all of the interconnections are so innocent, and social scientists have been discovering in recent years the the intersectoral linkages through which the indigenous sector is exploited by the other two and how the criollo sector is also made to serve the interest of the dominant modern sector: e.g., by absorbing, at low wages, workers who would otherwise be unemployed and a threat to social stability.

The relationships among sectors are also clarified by what the three-sector model in figure 3 implies for consumption, a matter that brings us close to the basic question of culture. What, in other words, are the cultural artifacts people use in each of these three sectors? In the modern sector one finds a wide range of goods and services, both consumer- and producer-oriented: automobiles, life insurance, luxury apartments, house insurance, Caterpillar tractors, marketing services, information, and systems, blenders, machine tools, fast foods, nylon, napalm, and all the rest--very nearly everything one could find in the United States. And, of course, those who live and work in the modern sector, the high-productivity sector in each country, tend to be the only ones who are able to consume these products. They consume, in fact, the majority of the products in the economic system. Income tends to be highly concentrated, with the result that the great bulk of the national income is earned by people working in this sector: not only the owners and managers, but also the skilled laborers and professional classes. Urban areas, factories, modern enterprises of all sorts generate the large bulk of the national income, and those who work in these institutions consume a relatively wide range of goods and services, very nearly the same range of goods and services that might be consumed in this country. The magnitude of these consumption claims diverts resources from the rest of the population by pricing them out of their reach, while the character of the consumption tends to confer on these privileged segments of society the advantages of skills, information, income, and connections that tend to secure and consolidate their preferred position in the socio-economic structure. Of key importance is the concentration in this sector of the capital goods that are essential for further productivity advances.

As for the criollo sector, there one finds simpler goods and services of a more limited variety. Although the sector draws on some capital goods, often of an antique vintage, the bulk of the goods and services that compose this sector are of the consumer variety. Included here are labor-intensive activities, such as domestic servants and old-fashioned stores in which service is provided by an astonishingly large number of semi-employed lackeys. Much construction and agricultural production is also of this labor-intensive character. Since the people who work in this part of the economy have much lower productivity than those in the modern sector, their income is much lower on the average. Buying their goods through a more expensive distribution system, they end up having a much more limited range of goods to consume and a more modest scale of production than do those who make their livelihood in the modern sector. Yet, unfavorable as may be the living conditions for the inhabitants of the criollo fringe, the sector functions in an invaluable way for the privileged classes by serving as

a sort of holding tank for underemployed human resources and a way of containing the consumption claims (if not the aspirations) of many.

In the modified traditional sector, productivity and incomes are lower still, and an extremely limited range of goods and services is produced. A simple and inadequate diet that varies hardly at all from year to year, practically no medical services, the most humble housing, and clothing that is (at best) only sufficient to provide minimal protection against the elements--these make up the consumption basket of those who live in the lower layer of the economic system. Disenfranchised as potential consumers by want of purchasing power, they are often politically disenfranchised as well. Thus, by either market or political means, they are unable to make significant inroads on the economic surplus that is concentrated in the service of those who live in the modern sector.

Geography, Institutions, and Latin American Development

Let us turn next to a brief look at some sources of Latin American economic problems. Where does the fragmentation of Latin American economic systems come from? Fundamentally, we may say that the roots of the economic problems have two different sources. On one hand, we have those that are problems of geography. Geography in Latin America makes agriculture very difficult as large areas are taken out of agricultural use: the section covered by mountains, jungles, and deserts, or those too remotely situated. The barriers created by the mountains and the jungles for transportation have also had a tremendous negative impact on Latin American development possibilities. Here one can contrast the experience of Latin America very interestingly with the historical experience of Europe and the United States. If one looks at the geography of western Europe and of the United States, two of the more favored regions of the world, one can see how much more conducive their geography has been to national development than it has been in the case of Latin America. In Europe and the United States there were important river systems providing cheap transportation that went right into the heart of the most productive regions. Further, these provided economical transportation at a time when the economy could not afford to invest very much in building transportation systems. By contrast, most of Latin America has not had important river transport possibilities and has had to use extraordinarily expensive overland transport systems, systems that have been expensive to construct and very expensive to maintain. Thus, geography has certainly been an important source of difficulty. It has operated to fragment the region, to isolate countries, to give some countries an advantage over other countries, and to keep people remotely situated cut off from the cultural and educational mainstreams, among negative consequences.

The other category of problems is seated in the institutional realm and stems basically from social-economic organization and culture. Take, by way of illustration, the impact of cultural dualism and the concentration of economic power. What does it matter to an economic system today that 30 percent of the population do not speak the national language, cannot read and write, and do not really participate in the national market because they lack purchasing power? If a few people have a great deal of purchasing power, what difference does this make for economic development as compared with the pattern in which the purchasing power tends to be much more evenly distributed? In the first case there is a small market for a great variety of things; those that have the bulk of the purchasing power want a great many things, the kinds of things that you and I consume--services, durable goods, non-durable consumer goods, foreign travel, and so on. But there is not a broad market demand for any of these items, forestalling the advantages of local mass production. In contrast, where income is more broadly distributed it is possible to build up a relatively large market demand for a limited range of goods. Whereas in the first case it is hard to set an economic size of factory to supply the wide range of goods, the second case provides a national market sufficiently large to make it justifiable to set up large factories on an economic scale.

Consider another institutional obstacle besides the concentration of income and wealth. What, for instance, are the implications of the failure to invest in human resources? What does it mean when most of the human resources are not developed, when most of the people have little or no access to the educational structure to develop their skills, to become better farmers, to become engineers, or businessmen, or professional people, or more effective civil servants? In Latin America one finds an institutional structure that tends to cut off a great portion of the population in many countries from access to the opportunities to develop their skills and talents. This is something that varies: Argentina is a country, like Costa Rica or Uruguay, in which most people have some access to the educational system. In contrast, in Mexico, where great efforts have been made over the years to eradicate illiteracy but where population growth has been high, there has been great difficulty in bringing education to all the people. There are probably almost as many illiterates now as there were when the Mexican Revolution began, perhaps more. Not proportionately, of course, but in absolute numbers.

The implications of rapid population growth can also be discussed under the heading of institutional problems. What does it matter to a country that it has rapid population growth? What does it matter that a nation has a population structure in which 50 percent of all its population is fifteen years or under, where most of the population, in other words, is not in the active labor force?

The examples can be multiplied.

Finally, there is a very good opportunity, in the discussion of Latin American economics, for us to consider non-problems: the clichés that very often get used to explain problems of Latin American development but that actually explain very little. In the older literature on problems of economic development in Latin America, there is, unfortunately, a lot of misinformation that needs to be corrected. A common explanation for Latin America's poverty, for example, holds that militarism is too common in Latin America. Too much is spent on the military and on war. But let us take a realistic look at the situation. The actual amount of the national budget that most Latin Americans have spent on the military is less than it is in most industrial countries, the United States included. For that matter, Latin America, for all its militarism, cannot hold a candle to Europe when it comes to wars, combat, massive devastation. The same holds true for the United States, the Soviet Union, and Japan, all of whom have engaged in larger-scale slaughter than Latin America has ever experienced, even at worst. Thus, if we look at the whole question of the roots of economic backwardness, the simplistic explanation of militarism really does not seem to get us very far.

Another explanation sometimes given holds that Latin America has been too fond of conspicuous consumption. The problem is said to be that too much has been spent on churches, mansions, and luxuries. Yet, looking at things realistically, we may ask which of the countries really compares with what has been spent lavishly in Europe or the United States, with the multiple mansions and estates of the Vanderbilts, the Windsors, the Rothschilds, the Bourbons, the Rockefellers, and others? The most elaborate Latin American homes are really not all that fancy when it comes to conspicuous consumption. It would, thus, be difficult to argue that Latin America has even approached Europe or the United States in the area of unproductive spending.

Religion as an explanation for economic retardation seems less helpful still, although, given prevailing prejudices in the United States, it is not infrequent to hear the ills of Latin America laid at the doorstep of Catholicism. Very nearly all of Latin America shares a common religious affiliation, yet vast differences separate the economic attainments of the countries of the region, and even regions within countries. Some of the religiously more conservative areas are, in fact, among the industrially more advanced regions. Consequently, the use of religion as a significant explanatory variable seems ruled out of serious discussion, however popular it has been in cracker-barrel social criticism.

Segmental Development and Conflict

One final set of observations on the internal structure of Latin American economies is that if one looks at the region today, one finds that a fair amount of headway has been made in the recent twentieth century in constructing something approximating national economic systems. In the nineteenth and early twentieth centuries there was much more limited economic development. Historically, very few countries have been able to promote a truly national development, to build a truly national economic system. In most countries what has been attained is not national development--in the sense that policies have been able to increase per capita productivity across the board--but rather segmental development. Particular segments of the economic structure of the national territory have benefited, but others have been left behind. It has, historically, been an exceedingly difficult task to try to translate segmental development into something that is more comprehensive, benefiting the whole population.

This, in turn, brings us to a curious paradox in the nature of development in Latin America. As development has occurred in that region (development of this segmental sort), very interesting political and social processes have been set in motion. What has happened is that the process of development has tended to generate a whole range of conflicts and contradictions within Latin American society. These conflicts basically have taken the form of a struggle for control over scarce resources. Thus, while the region has experienced substantial segmental development on the one hand, more and more people have been left aside, with frustrated expectations. As a result, there is increased competition and conflict over the available scarce resources. The segmental development that has occurred has simply strengthened certain groups in trying to get a larger share of the economic pie, while placing others at a disadvantage. As an expression of these internal contradictions in Latin America, clashes occur among all sorts of sectoral and other interest groups in the region. The industrial sector will argue that it needs more of the available resources for electric power, for urban expansion, for financing the important machinery, etcetera. But at the same time the agricultural sector claims it needs more of the available resources to put in farm-to-market roads, rural electrification, and rural health systems. Similar competition occurs in the area of credit.

The contradictions and conflicts we have been mentioning come to the forefront in the allocation of educational facilities--where to put these educational facilities. The urban areas are complaining that they have increasing needs for different skills. To train manpower more highly, the country has got to plow more resources into the urban industrial sector's education, particularly if the countries are going to develop the research capabilities they need. But at the

same time a strong case can be made that it is really the agricultural sector that needs more schools and vocational institutes in the countryside. Alongside these, there are clashes between essentially different social and economic classes in the population, between the privileged and the semi-privileged on the one hand and the oppressed and exploited on the other. One of the paradoxical effects of much of Latin American development has been to strengthen the number and political influence of the former at the expense of the latter.

In addition to domestic contradictions, there are the well publicized clashes between national investors and foreign investors. The very success of countries in developing national business communities has generated more local people who would like to control the investment opportunities that foreign enterprise used to take up. Thus, the very process of economic growth has tended to promote conflict between those representing national business interest and foreign investors. What economic development has done, then, especially the segmental type of economic development, has been to strengthen the role of particular interest groups in the economic arena and to intensify clashes among regions, interests, and classes.

This brings us to a major paradox of development in Latin America and many parts of the Third World, namely, that successful segmental development has, in many cases, operated to frustrate national development. It has put, one might say, too many people with too much power in line ahead of the poor, with the result that the government and the private sector both tend to respond mainly to the privileged (but growing) part of the population, which is centered in the modern sector and in the cities. Left further and further behind are the poor, especially the rural poor. As the Latin American experience makes plain, conflict and struggle--far from being abnormal--are part and parcel of the process of development and social change. Much of our own history has been interpreted in such a way as to conceal this aspect, but in looking at Latin America, it is easier to see how each social/economic system builds up the internal tensions and stresses, known as contradictions, that sooner or later produce change. The point has, of course, a more general application, but for many of us it may be more readily understood in the historical context of societies other than our own.

Conclusion

In Latin America today the several countries are trying to find various answers to their respective economic difficulties. As a result, Latin America presents a kind of laboratory for studying the problems of economic backwardness and poverty and the policies for dealing with them. One country, Cuba, has sought

its solutions through Communism. Other countries have adopted a more capitalistic approach to development. Colombia is a case in point, a country in which major reliance has been placed on the private sector. A whole range of countries lies in between. Latin America is, in fact, mainly made of this in-between category, the so-called third position countries. A popular theme in Latin America for many years, this ni comunismo ni capitalismo (neither Communism nor Capitalism) approach has been facetiously referred to as the "ni-ni" model of development. Yet, we need to take seriously the efforts Latin American countries have made to avoid the shortcomings of both Capitalism and Communism in an attempt to find their own distinctive answers for their particular problems.

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PROBLEMS OF INTERNATIONAL COMMUNICATION: THE UNITED STATES AND MEXICO

Introduction for Instructors
and a
Unit Suitable as a Handout

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INTRODUCTORY NOTE FOR INSTRUCTORS

This unit was prepared for use in a variety of course contexts: political science (including international relations, American foreign policy, and the like), history (including world history, Mexican history, Latin American history since Independence, and United States history), and Spanish (e.g., Latin American civilization). There may be opportunities to employ it as well in other courses such as anthropology, sociology, and journalism. The unit focuses specifically on United States relations with one of our two closest neighbors, Mexico. A country of particular importance to people in the southwestern part of the United States, Mexico is a nation with which our relations are surely going to gain in significance on account of the problems of labor migration and the new-found petroleum riches that have attracted so much attention of late. The latter should create a new prosperity in Mexico and intensify the business connections between the two countries.

One might think that neighboring countries would enjoy especially good communications and, communicating easily, would be better able to develop constructive policies for identifying common interests and tackling common problems. Americans have, of course, tended to place great faith in the beneficent results of communication, among both individuals and groups. This unit, however, endeavors to demonstrate that cultural factors (history, politics, economics) are much more important than geographical ones in shaping the communications process, that the cultural "distance" between two nations may be much greater than the geographical distances, and that the structural factors that constrain communication may also limit what it can accomplish.

By the same token, it is hoped that students might become increasingly aware that the same sets of cultural factors that shape communications processes affect language itself as a means of communicating. Very often communication involves the use of words, but the meanings assigned those words—or other symbols of communications, for that matter—are profoundly shaped by the course of historical events. As Rashomon, the noted Japanese movie of some years back, made plain, interpretations of a given objective situation can differ widely according to the life histories of

those who do the observing and interpreting.

Although this unit takes the United States and Mexico as a case study, it is evident that some of the relationships described will apply to the links of the United States with other Latin American countries or, indeed, countries located elsewhere in the world. On the other hand, some elements are obviously unique to the United States-Mexico case. Thus, the unit affords a springboard for discussing the variety of factors that are either country-specific or general in their bearing on U.S. foreign relations. What is unusually interesting about the Mexican case, however, is that it represents the first time that U.S. foreign policy had to begin to cope in a fundamental way with a force that has since become much more widespread in the world: revolutionary nationalism. In Mexico, the Revolution got under way in the second decade of this century. Throughout the so-called Third World of developing or underdeveloped countries, this general type of movement has later, in one guise or another, become pervasive. Re-examination of the Mexican experience, then, affords us the opportunities to see how well we have learned to live with this troublesome force.

Suggestions for Class Projects

Several themes might be examined by teams of students to point up sharp contrasts in the historical experience of the United States and Mexico and, consequently, in the social conditions that have shaped outlooks and attitudes of the two peoples. On each topic, there is enough literature available in English that students could do the research necessary to prepare short reports. Oral presentations of the comparative study of these topics could provide a useful springboard for classroom discussion of cultural differences.

1. Contrasts in the Indian policies of early settlers and later governments in the United States and Mexico, from colonial times to the present.

2. Contrasts in the circumstances under which the United States and Mexico became independent nations (in the case of Mexico, the difference between the revolts led by Fathers Hidalgo and Morelos and the means by which Mexico finally separated from Spain is particularly revealing).

3. Contrasts in the experience of independent Mexico and independent United States in the first half-century of national life.

4. Juárez and Lincoln: the unfinished homework of the wars for independence.

5. Immigration into the United States and in Mexico during the nineteenth and early twentieth centuries.

6. The military and civil society: how many military men made "president" (and how)?

7. Contrasting roles of farmers in Mexican and U.S. national life.

8. Who has run the oil industry in the twentieth century in the United States and who has done so in Mexico, and why the differences? What bearing may this have on negotiations over sales of Mexican oil and gas to the U.S. market?

9. The problem of labor migration and unemployment in contemporary Mexico and the U.S.

PROBLEMS OF INTERNATIONAL COMMUNICATION: THE UNITED STATES AND MEXICO

In the years immediately following the Mexican Constitutional Convention of 1917, the work of national reconstruction finally began to supersede a long and bitter revolutionary struggle. The Revolution and the 1917 Constitution both strongly affirmed, in deed and thought respectively, the values of reform and nationalism—and in a way that would surely have been called a national liberation movement had the events occurred today. By 1920, forjando patria or nation-building had necessarily become the chief task for the sometimes beleaguered and often factionalized leadership. It was time to sort out all manner of internal issues and to review as well the relations of the new Mexico with the rest of the world. In his election manifesto of that year, President Alvaro Obregón declared:

> For the development of the natural riches of my country, I propose to extend an invitation to all men of capital and enterprise, nationals and foreigners, who are disposed to invest their capital in the development of the said riches, based on a spirit of equity, with the result that there will be obtained for our national treasury and for the workers who cooperate with the said capital, participation in the benefits which logically must accrue to each.[1]

Just what this manifesto might mean, however, has been a subject of varying interpretation, of anxiety, and of argument ever since, not least during the recent administration of Luis Echeverría. Particularly has this been so in respect of the role of the United States in Mexico's development. Witness the ambiguity that a half-century later, surrounded the latest effort to define a reconciliation of foreign and national objectives: the 1973 foreign investment law.[2]

The present essay is an effort to explore factors that have shaped communications between the most populous countries of the North American continent, countries that have come to be closely linked by geography, politics, and economics but whose intersecting national destinies have departed from radically different historical and cultural bases. The dynamics of this difficult situation account, in no small part, for the problems of arriving at any clear and mutually acceptable meaning for the relationship so vaguely suggested by President Obregón.

It is interesting to reflect, in this connection, on an ironic fact of history. Prior to the end of the eighteenth century, one of the countries involved had been but a minor and rather rustic colony in the still expanding British Empire. The other, then known as the kingdom of New Spain, was the most significant and highly developed overseas possession of the far-flung Spanish Empire, a remarkably complex constellation of peoples and territories that had already attained the outermost limits of its expansion and global influence. Nothing in the Thirteen Colonies could compare with the urban elegance and refinement, the differentiated social structure, and the elaborate apparatus of the twin civil-ecclesiastical bureaucracy that presided over life in the prosperous viceroyalty that centered on Mexico City. Nevertheless, the ensuing century produced such a drastic role reversal that the two areas, which formerly interacted hardly at all, were thrown into a set of increasingly close and continuing relationships, relationships in which the once-minor party posed repeated threats to the territorial, political, and cultural integrity of the other. For facilitating communication, a more uncomfortable juxtaposition would be hard to imagine.

Good Neighbors or Intimate Enemies? The Formation of Collective Memory

It should be noted that, even before the Mexican Revolution that began in 1910, a fundamental attitudinal ambivalence colored relations between the two neighboring countries, conditioned by developments dating back to the earliest years of nationhood. Insofar as history figures in school lessons and the general lore to which the youth of both countries are exposed, there is a very real sense in which the "childhood socialization" of the nation (i.e., the country in its formative years) gets translated into the childhood socialization of its citizenry and, correspondingly, into the perceptions and expectations of the adult population. In the particular case of Mexico and the United States, this dual socialization process has been anything but conducive to the formation of mutual respect, let alone mutual admiration. Despite the frequent prattle about Good Neighbors, the behavior has more often been that of "Intimate Enemies," to borrow the title of a book about marital discord.

The concept of social character is, of course, an elusive one insofar as there is little scientific agreement on the underlying process that might structure a "character matrix common to all members of a group" (to use Erich Fromm's language). Generalizations about national "attitudes" are almost equally hazardous. In large, complex societies such as those of Mexico and the United States, the very notion of a modal personality type, composed of motivations to feel and think in certain ways, becomes more suspect still.[3] One must recognize at the outset, therefore, that substantial attitudinal differentiation and heterogeneity may be found among both Mexicans and gringos, reflecting the complex array, in both countries, of social systems

of social stratification, regional and economic interests, political preferences, ethnic affiliations, multiple-group allegiances, and other factors. In any exact sense, it would be vain to attempt to identify a Mexican attitude (or even a coherent and articulated set of attitudes) toward the United States, or vice versa.

Allowing for the foregoing caveat, however, one can nevertheless speak of certain salient outlooks and attitudes that taken together constitute a set of stereotypical views. Imparted culturally, these stereotypes, in turn, influence how citizens in each country come to perceive and judge in several ways the people and events in the other country, although the perceptions and judgments actually held by individuals and sub-groups will obviously be modified by particular circumstances.

One possible way of getting an initial handle on this subject is to examine, even if only briefly, the shared historical experiences that have affected the views that each national group holds of the other. Approaching the matter in this manner would seem to have two advantages. In the first place, the focus on national historical experience serves to identify social events and relationships that have affected substantial numbers of people, in varying degrees of commonality, such that shared life experiences and life changes would tend to create a basis for shared outlooks. In the second place, it is the recounting of these events that, for the schooled population in particular but for many others as well, gets transmitted broadly and from generation to generation, becoming ingrained in popular habits of thought through a process of reiteration. In the informal as well as formal educational processes, this repetitious interpretation of social experience is therefore conducive to the promotion of stereotypes; the stereotypes, in turn, function as attitudinal filters for a selective screening of alternative interpretations of past experience as well as of new experiences.

Later sections of this essay will explore the extent to which reinforcement is provided for these stereotypes in the structure of contemporary Mexican-United States relationships. This approach will, it is hoped, help to explain how in both countries people's thoughts, feelings, and tendencies to react have become organized around certain recurring social events and themes and how these contrasting styles of coping with the two-country environment that is our focus have impeded the development of effective communication. The structural-contextual analysis of the communications process that we employ is, it is suggested, far more conducive to an understanding of just what is actually being communicated than is a more McLuhanesque focus on the media themselves, or even a concern with non-mediated communications processes. These latter are, in fact, mere epiphenomena, surface reflections of underlying forces, conditions, and relationships.

Base-line Viewpoints: Mexico in U.S. History and the United States in Mexican History

From the outset, U.S. views of newly independent Mexico appear to have been mixed. Subsequent events served both to confirm this ambivalence and to move it in new directions.[4] On the one hand, by the time President Monroe officially recognized the independence of Mexico in late 1822, there existed in the United States both an interest in and a sympathy for the general achievement of Latin American independence from Spain—unaccompanied, however, by very much active support, which, in any case, the United States was in no position to provide at the time. The acquisition of the Louisiana Territory and Florida had already brought the yanquis into the former realm of Imperial Spain, but judging from contemporary evidence, U.S. relations with Latin America had not yet come to focus with any special intensity on Mexico except for a certain growing interest in claiming the province of Texas. (The Mexicans were aware of this covetousness, so early bi-national contacts began under a cloud of suspicion.)

On the other hand, yanqui attitudes toward Latin Americans in general seem, then as later, to have been colored in a negative manner by a number of abiding prejudices: the customary Protestant hatred of Catholicism, a jaundiced view of Iberian culture in general (summed up in the "Black Legend" tradition*), and a thorough-going dislike, among frontiersmen in particular, of Spanish officialdom.[5] Moreover, the almost insatiable desire (soon realized) to grab additional territory in the West—the early Manifest Destiny idea—made conflict virtually inevitable.

The cavalier arrogance with which Texas was separated from Mexico in the 1830s and the much larger territory carved off in the next decade betrayed a perspective peculiarly insensitive to Mexico's claim of sovereignty. Admittedly, the extraordinary disorder of Mexican domestic politics during the half-century following 1822 may have enabled an expansionist-minded U.S. citizenry to feel complacent in its evident belief in U.S. cultural and political superiority.** But the practical corollary of this perspective was more that might makes right and grants privileges than the alternative that rank imposes obligations.

To be sure, more positive attitudes and policies were later to enter the picture as well. The liberal regime of Benito Juárez enjoyed somewhat better relations with Washington than did most of its predecessors—doubtless on account of ideological affinity, its anti-clerical reforms, its resistance to the French intrusion, and its

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*The so-called leyenda negra tradition of writing on Spain and Spanish America began to flourish in the eighteenth century but has even earlier roots. In part it goes back to Bartolomé de las Casas, a vigorous humanitarian reformer-cleric who, shocked at the initial negative effects of the Conquest on the native population of the New World, lobbied successfully to persuade the Spanish crown to decree special protective legislation to defend the Indians. Later writers took his exposé of bad conditions, and exposés subsequently written by other royal officials, as the basis of developing a one-sided indictment of Spanish rule in the Americas.

**This smug complacency was not really shaken by the Civil War trauma, although it certainly should have been.

accommodation to U.S. commercial interests. More favorable still was the prevailing U.S. view of the later Porfirian regime, which, during its long tenure in office (1876-1911), was viewed as progressive, modernizing, and pro-business in spite of its unsavory political characteristics.

That the open-door policy of the Díaz government toward foreign investment facilitated a considerable inflow of U.S. capital is especially significant. In so doing, it continued, while at the same time transforming, the essence of the earlier relationship between the two countries. Outright infiltration and military seizure of Mexican territory, as in the case of Texas and the western United States, evolved into business conquest and the economic appropriation of resources: e.g., substantial amounts of Mexican land and mineral resources fell under U.S. ownership. Both forms of penetration, apparently, were considered equally "normal" or politically acceptable (in the United States) for the times. In either case, the control over resources located in Mexico, or what had formerly been Mexico, was shifted so as to respond to conditions prevailing within the rapidly growing U.S. economy. Trade and investment flows between the two nations increased enormously between 1875 and 1910, with some undeniable gains to both parties. But in the process an economic subordination emerged that was surely as profitable and convenient to the United States as it was disquieting to Mexico.* In time, this subordination was to contribute to a new deterioration of relations.

The Revolutionary upheavals that followed the overthrow of Díaz revalidated in the United States the old public image of Mexico as a land of instability and inconstancy. The destruction of life and property, the officially encouraged persecution of the Church,** the massive land seizures (including foreign-owned estates), and the railway and petroleum expropriation measures (both of which also involved foreign-owned property) were widely interpreted in the United States as evidence of Bolshevism, a new ingredient in the turbulent social stew. In the process, any attempt by Mexico to redefine the terms of its relations with U.S. interests met with considerable hostility and resistance.

Only during the past three decades have U.S. impressions of Mexico been significantly modified again, symbolized perhaps best by Mexico's official return, in the

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*At the time, even President Díaz was moved to comment, "Poor Mexico, so far from God and so close to the United States!" A more recent version of this lament, taken from an article in a Mexican weekly, stated, "How bad for Mexico when the United States forgets us; and how much worse when the United States remembers!"

**Earlier, the violent anti-clerical actions would probably have bee applauded in the United States. By this time, however, the U.S. reaction was tempered by the fact that immigration had given the country a substantially larger Catholic population than it had had in the nineteenth century.

1960s, to the New York capital market after an absence of many years. Sustained growth, monetary stability, a favorable investment climate, the evident political stability and continuity, the obvious new affluence (and political influence) of a growing bourgeoisie, and the development of a prospering tourist industry—such have been the changes with the greatest effect on U.S. public opinion in recent times. Not to be overlooked, either, is the growing U.S. investment stake in Mexico, for a good many U.S. firms have established a commanding position in the expanding Mexican market and, in the process, have contributed a great deal to Mexican GNP, employment, and tax revenues, not to mention technical and organizational advance. To be sure, some of the old doubts returned when the policies of President Echeverría took a more nationalistic turn and destabilized the Mexican economy with a strong dose of inflation. But his successor in office, President José López Portillo, has enjoyed considerable success in restoring confidence in Mexican stability—thanks, no doubt, to the timely discoveries of large reserves of petroleum.

From a U.S. perspective, therefore, there eventually came to be a happy coincidence of interest among (a) the evolution of a kind of guided democracy (or authoritarianism) in Mexico, (b) the objectives of those who have framed Mexico's economic policies during the past quarter-century or so, (c) the foreign commercial aims of the U.S. business community, and (d) the U.S. foreign policy objective of stabilizing areas that are near or adjacent to the U.S. national territory.

Asymmetrical Perceptions and Relationships

The point of this somewhat oversimplified and capsulated review history is not that of recounting objective events but rather that of elucidating the contrasting mind-sets that filter communications. For most citizens of the United States, for example, the foregoing events have to do with significant aspects of our historical development. The details, however, are in many respects viewed as incidental to the main theme: i.e., the westward expansion of the nation. Save for the Civil War, our nineteenth-century history is generally seen as a more or less steady process of "onward and upward." Never mind that this undeniable material progress was in some instances built on the misfortune of others. In Mexican history—as, say, José Vasconcelos's standard work, Breve historia de México, illustrates—the foregoing relationships and occurrences are assigned an altogether different relative value, one immensely more consequential and negative. Few yanquis, for example, would recall that there was a Pershing military expedition into Mexico or an armed occupation of Veracruz in the present century; such episodes seem almost too trivial to record alongside the sweep of what are to us the major external involvements of our country. Yet for Mexicans such humiliations as these, not to mention the more epic territorial losses of the nineteenth century, are almost a leitmotif of the past 150 years.[6] Even the age of Porfirio Díaz, so much esteemed by the foreign business community,

has come down in history as an era in which "great national problems" reached terrible proportions; many, if not most, of the fruits of the material advancement of that day were picked by foreigners. Thus, Don Porfirio, who might in some respects have been a Bismarck, became, instead, an Esau.

The asymmetry of this relationship continues today. A relatively minor market for U.S. exports, Mexico finds that both its own exports and imports are singularly linked with the U.S. economy. Two-thirds of Mexican exports, for example, go to the U.S. market. A pleasant vacation land, among many others, for the U.S. tourist, Mexico is constantly aware that its balance of payments depends heavily on the steady tramp of gringo travelers southward. For the United States the bracero and wetback flows have, until quite recently, seemed purely regional matters; even today, migrant labor from Mexico constitutes only a small fraction of the total U.S. labor force. For many of Mexico's destitute, however, these streams of migration have constituted the only significant sources of livelihood,[7] and for the country as a whole this northward trek very likely serves as a political safety valve of considerable importance.

For few outside the southwestern part of the United States does the Colorado River salinity problem have any meaning at all; for Mexico it has represented, like the treatment meted out to braceros, wetbacks, and chicanos, yet another instance of yanqui disregard and disdain. Tacos and enchiladas may vary the menus of increasing numbers of U.S. families, but this is nothing compared to the pervasive and even overwhelming cultural penetration of Mexico by United States traits.

The basic asymmetrical relationship, in other words, is projected through a whole series of phenomena, both historical and current. What seems of prime importance in Mexico City is accorded less weight, or seen altogether differently, in Washington.

Internal Structural Changes Influencing Communications

Besides the obstacles produced by the foregoing interaction of history and culture, a further set of impediments to inter-country communication has been evolving in recent years because of internal developments in the Mexican political, economic, and social structure. The social judgments generated by this process have already found a widespread receptivity among university circles and the media. The likelihood is that the attitudes fostered by these contemporary socio-cultural processes will become more pervasive still on account of their compatibility with the historical bias. It is a well known observation in social psychology that new material with existing attitudes is more readily assimilated than is new information that runs counter to ingrained attitudinal biases.

For at least the better part of the present century, Mexican nationalism has been both assertive and self-conscious, emblazoned by revolutionary rhetoric and tradition. It has not, however, until recently been notably self-critical. For

decades, of course, there was abundant criticism of the pre-revolutionary past, and critical reflections of a rather general nature, on various facets of the Mexican social reality have never been entirely absent. Indeed, from the early days of the Mexican Republic onwards, políticos and pensadores* of varying political stripes have recognized national shortcomings, and many of their diagnoses (some in the Black Legend tradition) have been reiterated in the liturgical language of the revolutionary era. Yet, by and large, and excepting occasional jeremiads from the Left and the Right, criticism of the promises and accomplishments of the Revolution have tended to be muted.

Among the many achievements of revolutionary policies, however, have been the expansion of an increasingly articulate and self-aware middle class, the elaboration of a mass communication network, the emergence of a thriving publishing industry, and, not least, a growing network of centers of learning and social observation. Thanks to these factors and to burgeoning university enrollments, such influential social critics as Pablo González Casanova, Carlos Fuentes, Daniel Cosío Villegas, Jesús Silva Herzog, Octavio Paz, Arnaldo Córdova, and Carlos Madrazo have found a receptive audience for their reservations about the direction Mexico has taken.[8] Moreover, serious social science scholarship in Mexico—carried out by such capable analysts as Leopoldo Solís, Miguel Wionczek, Ifigenia de Navarrete, Ricardo Cinta, Rodolfo Stavenhagen, and Salomón Eckstein among others—has documented the geographical areas and segments of society that have been either largely bypassed by the impressive growth of the economy or possibly even handicapped in their access to the opportunity structure created by the monumental social changes effected by the Revolution.[9]

The old rural latifundism seems not to have vanished altogether and, in the eyes of many, has to some extent been extended by a similar concentration of ownership in the urban-industrial sector. Further, there is a growing belief that the metropolitan-based bourgeoisie, strategically placed in terms of the political system, is so well able to enforce its consumption claims on the available national resources (to support a U.S.-influenced life style) that it has become more difficult than ever before to divert significant resources to social programs and to an alternative pattern of economic development that would benefit more substantially the majority of the population.[10] One of the major contests over the years ahead is sure to be to which segments of society the new oil wealth shall be directed.

New Mexican "Filters" in the Communication Process

What has all this to do with Mexican-United States communications? The answer put simply, is quite a bit. Although it is not, properly speaking, a theory

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*Políticos is the Spanish term for politicians; the term pensadores (literally, thinkers) refers to intellectuals who are philosophically inclined writers and commentators.

or even a coherent ideology, the notion of dependencia, or dependency, has gained much popularity in Mexico as a comprehensive frame of reference (or, possibly a Weltanschauung) within which the contradictions between social aspirations and reality have come to be discussed.[11] Linked intimately with such other concepts as "internal colonialism" and latter-day imperialism, the "dependency" outlook holds that the external political subordination of old-fashioned colonialism was eventually replaced, in countries like Mexico, by external economic domination. The latter, exercised through export-import relationships (or familiar center-periphery conceptualization popularized by ECLA*), was in time buttressed by the control of international capital supply on the part of advanced capitalistic-industrial nations.

When, according to this viewpoint, the classic forms of external economic domination were in some measure offset by national import-substituting industrialization efforts and, more recently, regional integration schemes, the focus of foreign control adjusted to the changed situation. By shifting increasingly, through the device of multinational corporations, to control of vital marketing and information networks and to control of access to modern science and technology, the hegemony of mature capitalism has supposedly been maintained. Moreover, owing to this process of accommodation, less developed countries not only remain dependent on others for capital supply (witness the growing external debt burden) and foreign trade (for export markets and imports of investment goods) but have also become dependent on others for the ever more sophisticated technical inputs increasingly required by their evolving industrial structures.

Essentially supportive of this intensified dependency relationship, at least in the minds of dependencia writers, is the neo-capitalist socio-economic and political structure that has grown up in Mexico as well as elsewhere. Hence, the judgment is reached that the Revolution, in spite of some of the original intentions, has merely reintegrated Mexican society into the world capitalist system in new ways. Instead of a truly national and autonomously directed development process, there has occurred a segmental development constrained by interlocking internal and external factors, the latter being paramount in the overall design. Some analysts see hope for relief in the increasing multipolarity of the world economy, but for an economy tied as closely as is Mexico's to that of its northern neighbor, the possible leverage provided by a polycentric global system is thought by others to be quite limited.

Whatever the analytical validity of the world view summarized by the notion of dependencia, it has, in Mexico, cast internal problems into the same mold as problems of foreign relations, so that dissatisfactions focused on the former are readily

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*ECLA stands for the United Nations Economic Commission for Latin America.

transferred to the latter. From this perspective, then, even the economic relations of the United States with Mexico, thought by the former to be so mutually favorable, are held to be pernicious by a significant and probably growing segment of Mexican opinion-makers.[12] For these, the new Mexican petroleum resources are viewed as of crucial importance in that they offer the country what is possibly its last major opportunity to declare its economic independence from the United States.

Granted the closeness of the relationships between the two countries, the "less intrusive international role" for the United States mentioned a few years ago by Secretary of State Rogers will be difficult indeed to bring off in the case of Mexico. Moreover, considering the same set of relationships and the prism through which these are viewed by many in Mexico, President Echeverría's hope that foreign "investment will increase as a result of the new [foreign investment] Law" but that it would be "reoriented toward development that the country needs"[13] may be as problematical as President Obregón's similarly expressed desire of many years before. The doubts about the beneficence of ties with the United States, once expressed so contingently by a few Porfirian advisors such as José Limantour and Justo Sierra, and later magnified by men of the early revolutionary period, have not been allayed despite the record of the past thirty years. On the contrary, these doubts have now taken root, especially in the Mexican intellectual community, in a larger rationale and begun to proliferate.

Communications Problems: A Summary View

In retrospect, it seems safe to conclude that, for Mexico and the United States, linguistic problems in communications have been relatively trivial, despite the difference in language. Further, although differing value systems and cultural orientations have doubtless played a somewhat larger role,[14] the crucial factors that have activated and intensified these differences as a basis for contention and misunderstanding—that have given them saliency, as it were—have been three-fold:

1) the unfortunate political-military conflict episodes that were recurrent in United States-Mexican relations from the early nineteenth century through the early revolutionary period;

2) the virtually unavoidable economic ties that have linked the two countries from the late nineteenth century, with occasional interruptions in the 1910-1940 period, to the present in such an asymmetrical manner owing the great disparity in size and power of the two countries;

3) the attitudinal predispositions that have grown out of 1) and 2) and that have come to be reformulated—one might almost say consolidated—in recent times in the outlook of dependencia.

These communications filters have in all likelihood been more significant over the years as basic conditions affecting the judgment of social events and

relationships in the two countries than has either the episodic and generally superficial treatment of Mexico in the U.S. communications media or even the vastly more extensive and continuing coverage of contemporary U.S. developments in Mexican mass media.

Media content analysis could be employed to illustrate and support this contention, but suffice it to note here only a few relevant aspects of the situation. In general, the major political events in each country are duly noted in the press of the other. Other occurrences such as civil disturbances are similarly reported. Beyond this, however, reciprocal coverage tends to be as asymmetrical as the other relationships previously discussed. Outside of a few major metropolitan dailies (and rare reportage elsewhere), the U.S. media normally tend to convey information on Mexico that is primarily of touristic interest and, occasionally, of an economic or commercial nature. Very little detailed, interpretative reporting and analysis communicates to the U.S. public the richness and complexity of contemporary Mexico, much less meaningful information on prevailing Mexican perspectives. Lacking a broader view of the country, the U.S. public is thus seldom able to catch the significance of the events that do receive recognition. The more specialized publications and periodicals that provide, either explicitly or implicitly, a more adequate background and perspective from which to judge events and trends have such a limited circulation that they contribute little, if at all, to popular understanding. By way of contrast, Mexican newspapers, magazines, radio and television programs, and films ordinarily bring, at least to urban areas, much more information about a wider range of social phenomena in the United States. Even so, an adequate frame of reference for processing this information is less often provided.[15]

For that matter, even the enormous amount of travel by U.S. tourists and businessmen in Mexico and the strong counterflow of Mexicans to the United States as workers (both legal and illegal), students, businessmen, and tourists have been of surprisingly limited utility in laying a satisfactory basis for mutual understanding with high levels of empathy. Class-related and other factors have seemingly mediated between the traveler and his surroundings so strongly that real learning opportunities, more often than not, have gone unexploited.

In each country, of course, there are segments of the university community that make it their business to study and impart information concerning the other, but, like the specialized periodicals and books, the social outreach of these more scholarly efforts tend to be somewhat limited. Neither country is, in any absolute sense, lacking in books that contain nearly all the information needed for acquiring sensitive and valid insights into conditions in the other, but distribution and access, not to mention actual perusal, are another matter.

Possibilities for Improvement

It would be tempting, if not especially helpful, to conclude that these two neighboring countries are locked into irreconcilable dispute, so far as the chances for achieving a genuine mutual empathy are concerned. And practically speaking, it is unrealistic to expect that the tensions inherent in the nature of the relationship would vanish in the near or medium-term future, whatever might be done to improve the communications. There is no possibility that either the U.S. economy will change in its basic institutional character or that the Mexican economy will attain a position of equality with that of the United States—or even that the flow of trade and cultural influences will cease to be so one-sided in their respective effects in the two national settings. Fundamental conflicts of interest, in other words, will remain as an enduring fact of life, for both parties to reckon with. Still, if the situation cannot be altogether resolved, it can possibly be ameliorated by a number of policy measures designed to foster a somewhat higher level of mutual understanding and accommodation within this context of divergent national interests.

1. In the field of investment, for example, it would seem prudent to counsel as graceful an accommodation as possible to the continuing "Mexicanization" efforts, e.g., those that are embodied in the new laws on foreign investments and the transfer of technology but that hark back even to similarly inspired measures implemented in the closing years of the Porfirian regime.* The process is one that has considerable historical momentum and contemporary popular support behind it, and there is nothing to be gained from protestations, official or otherwise, concerning the effects of this policy drift on Mexican-U.S. commercial relations. Problems of a technical, accounting, and legal nature are sure to arise, but the Mexicans are perfectly capable of resolving these without external advice. If there are costs, in terms of Mexico's relations with foreign investors and multinational enterprises, Mexico is also quite able to anticipate these and to allow for them. External reminders that Mexico needs foreign capital, skills, and so forth tend inevitably to have a patronizing and paternalistic ring to them, however true they may in fact be. In any case, the evolving commercial relations between the United States and countries of the socialist world should furnish especially enlightening precedents for constructive economic collaboration on the non-equity or minority-interest basis that is politically more acceptable in Mexico today.

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*The so-called Mexicanization policies have aimed at conforming foreign enterprise to national benefit in a variety of ways: increasing the number of Mexican nationals employed by foreign companies (including employment in managerial positions), increasing the share of Mexican ownership in foreign concerns operating in Mexico, increasing the amount of supplies purchased locally by foreign companies, obtaining for Mexican firms a broader and less costly access to foreign technology, and so on.

2. Given existing national priorities in Mexico, a still more positive response is possible and, one should think, altogether feasible. The National Academy of Science and U.S. universities and research centers could, bilaterally or under multilateral auspices, contribute much by collaborating far more extensively than they have with CONACYT* and other Mexican entities to strengthen the scientific and technological capabilities of Mexico as part of a concerted program to reduce the external technological dependency, which is, evidently, increasingly distasteful to educated Mexicans. The encouragement of additional graduate training of Mexican nationals in science, administration, agriculture, and engineering in nearby U.S. institutions, perhaps in combination with professional internships for a practicum experience, would be a relatively inexpensive way of upgrading the high-level manpower skills available to the Mexican economy. It would also assist Mexico in developing a more effective scientific-technical information system to support a greater measure of economic versatility. Cooperative efforts to improve science education at the pre-university level would be a vital adjunct of such a program as well, the net effect of which would be to equip Mexico with more autonomous sources of growth and to increase its supply-based choices among investment alternatives.[16]

3. It is probably time for the United States to move more vigorously on the UNCTAD** recommendations concerning a scheme of generalized tariff preferences on manufacturing exports from the less developed countries, at least insofar as such preferences might be applied to Western Hemisphere countries. For Mexico, preferences of this sort are likely to be especially beneficial, for the border industry program as well as for Mexican industry in general. Meanwhile, the close connection of the two economies virtually ensures that additional imports from Mexico would be accompanied by additional exports to Mexico, as the more dollars Mexico earns from sales to the United States, the more dollars it has to spend on the many items it imports from the United States. With balance-of-payments problems thus sidestepped, there is a clear congruence of interests between the counterinflationary efforts of the United States and the growth and structural diversification objectives of Mexico. (The experience gained by new Mexican exporters in the adjacent U.S. market would probably, in time, serve them well as a basis for cultivating additional export markets among the other advanced industrial economies.)

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*CONACYT, the Consejo Nacional de Ciencia y Tecnología, is Mexico's equivalent to the National Science Foundation.

**UNCTAD refers to the United Nations Conference on Trade and Development, an organization oriented toward assisting Third World countries. Tariff preference schemes, in this instance, aim at reducing the tariffs imposed by advanced countries on manufactured goods imported from producers in less developed countries.

4. The continuing and probably large-scale problem of illegal immigration from the southern frontier identifies a structural problem in labor markets that termination of the bracero program did not resolve. It should be possible to consider a modified revival of the bracero program to operate in combination with comprehensive manpower training programs accessible to both the immigrant and the resident labor force (with bilateral financing and program administration a further possibility). This would work to the great advantage of both countries and do much to improve the quality of productivity of the human resources available in the North American continent generally.

U.S. foreign assistance doctrine has long urged that foreign aid be focused on the improvement of human resources and that it be directed, so far as may be possible, to the less privileged segments of the population. The generally temporary migration of Mexican workers to the United States would seem to prove a golden opportunity to act on this preachment: to provide education and training for those low-income segments of the Mexican work force that are demonstrably so highly motivated and enterprising that they have been willing to take on the risks of leaving home to labor in an alien and sometimes hostile land.

Doubtless much of the experience gained from such a joint effort would have wider application within each country, and it cannot be overlooked that a fair portion of the opposition by U.S. labor to the use of Mexican labor has probably stemmed from the evident insufficiency of U.S. manpower programs to accelerate the transfer of the resident labor force into occupations more remunerative than agriculture. These programs should, of course, be augmented irrespective of the Mexican immigration flows. An upgraded bracero program, while conferring new skills and earnings on the Mexican labor force and favorable for long-term national development in Mexico, would also help U.S. consumers by restraining agricultural and other costs and, hence, dampening inflation.

5. In recognition of the special and unavoidable intimacy in relations between the countries, it might be appropriate to explore the formation of more supportive institutionalized channels for continuing communication and consultation at ministerial and sub-ministerial levels. Of particular value would be concerted efforts to plan means by which Mexico could take greater advantage of the potential externalities or general benefits generated by the enormous information network that has been built up over the years in the United States in both the public and the private sectors. Modern systems of information science, including storage and retrieval techniques, have made great advances in recent years. With proper design, there is no reason why significant components of the U.S. information network (including the vast outpouring of data and studies from universities, research institutes, trade and professional associations, and the Government Printing Office and other government agencies) could not be placed

at the disposition of Mexico at relatively low cost.

6. At the popular level of communication, such measures as the translation into Spanish of the recent Alistair Cooke television series on "America" and of public broadcasting programs of a similar nature would have much to recommend them. The preparation of a comparable series on the Mexican experience for presentation in the United States might help to create a more sophisticated understanding of Mexico. For maximum effectiveness, however, it must be recognized that one-shot approaches are a waste of resources. Thus, complementary efforts to strengthen bicultural education at the pre-university levels and to encourage the community outreach or citizen education efforts of university-level Latin American Language and Area Programs (as recently envisioned by the U.S. Office of Education) need to be fortified, with federal support, if any enduring gains are to be realized. In all candor, it must be stated that the possible abdication of federal responsibility in the field of international education augurs ill for the future of Mexican-U.S. communications, at least on the U.S. side of the dialogue.

7. The new oil and gas resources of Mexico should be viewed as an unprecedented, and probably unrepeatable, opportunity for that country to move ahead and realize the uncompleted agenda of the Revolution. This being the case, it would seem to take exceptional myopia on the part of the U.S. government to insist, as it has done in recent times, that Mexico supply its petroleum resources to the United States at artificially low prices. Whatever small gain might be realized through forcing such price concessions on Mexico is sure to seem trivial compared with (a) the confirmation this provides to anxious Mexicans of their lopsided relations with the United States and (b) the advantage to the United States of having a country on its southern border that is not only more prosperous but also more stable, politically speaking, by virtue of the more socially equitable system a wise use of oil revenues might bring about. Besides, higher petroleum earnings in Mexico will, in large measure, simply strengthen the Mexican demand for U.S.-supplied goods and services, to the direct benefit of many U.S. producers (and the workers in these firms).

Neither Cassandra-like predictions nor a mood of panglossian optimism seem justified in the present context. Still, if we cannot manage to come to terms more creatively with one of our two nearest neighbors, through imaginative and innovative policies, it would appear fatuous to expect much elsewhere in the world. The same geographical circumstances that have made inter-country communications so difficult (if deceptively easy, when superficially viewed) afford a unique opportunity to move toward that constructive but often elusive partnership of which Mexican presidents from Obregón to Echeverría and López Portillo have spoken. In this, communications processes, in and of themselves, can play but a limited role. Yet it is one that should not be overlooked insofar as (a) an improved, mutual understanding of differences

and divergencies of outlook might set the stage for more effective dialogue and negotiation and (b) the information "communicated" between Mexico and the United States is more clearly of a sort that is serviceable to the realization of the national interests of both countries. As this essay has attempted to indicate, however, the real challenge lies in reexamining the two patterns of national interest to ascertain the degree to which possible modification on the U.S. side might be made to accommodate the emergent objectives of Mexico. The very asymmetry that has created such problems in the past would seem also to provide a potential advantage for the future: namely, that marginal adjustment "costs" that are fairly moderate in the U.S. context may yield marginal "benefits" of very considerable value to Mexico.

THEMES FOR CLASSROOM DISCUSSION

1. The role that ethnocentrism or cultural bias has played in U.S. interpretations of Mexican history in particular and Latin American history in general—the so-called Black Legend. It is often taught, for example, that the English came to North America for God whereas the Spanish came for gold, despite the evidence that the Spanish missionary effort to the Indians was a massive enterprise, whereas the customary Anglo-American policy was to kill the Indians or drive them away into ever more marginal habitats. Moreover, great works of public architecture were undertaken and important universities were being established in Latin America even before the Pilgrims set foot on our shores. Slavery was found in both cultures, a fact conveniently overlooked when prejudicial judgments are being made, and, if anything, the Anglo-American institution of slavery was harsher than its Latin American counterpart. Racism remains far more of a problem in the United States than it has ever been in Latin America. Seldom do Anglo-American history books recognize the courage and enterprise represented by the Spaniards and Portuguese in exploring and settling vast and little known territories, amid much hardship, and although mention is generally made of the religious conformity that was enforced as public policy in colonial Latin America, the many instances of religious bigotry and intolerance that fill U.S. history (from the Puritans to the massacre of Mormons and down to the days of the Ku Klux Klan, at least) tend to be overlooked. Interesting discussions can be developed around the theme of the unbalanced historical interpretation represented by the Black Legend tradition—and how this is manifested today.

2. Similarities between Mexican expressions of revolutionary nationalism and similar, if later, movements in other countries of the Third World: aspirations for national development, suspicion of foreign economic interests, hostility to foreign political domination or intervention, the emphasis placed on industrialization programs, and so on. Also of relevance here is the topic of why even the so-called neutral or non-aligned nations often appear to be anti-United States in their foreign policies.

3. Contrasts between European policies toward foreign migrant workers and U.S. policies since the bracero program was terminated. Why the notable difference? Does it have to do with characteristics of the United States or with characteristics of Mexico?

4. Are Mexican anxieties about the role of multinational corporations more understandable if we recall the U.S. anti-trust movement, earlier efforts to limit the growth of chain stores, the customary community fears that spring up when a local concern is bought out and merged with a large business conglomerate, state laws against branch banking, restrictions on the operations of foreign banks in the United States

and the like?

5. Reasons why U.S. newspapers generally provide so little coverage, particularly detailed coverage, of international news.

6. Significance of the new petroleum reserves in Mexico for the U.S. economy and foreign policy.

NOTES

1. From the election manifesto of Alvaro Obregón, Piedras Negras, Coahuila, March 10, 1920, in the Silvestre Terrazas Collection, Bancroft Library, University of California, Berkeley.

2. Although initially viewed with considerable misgivings by foreign investors, the 1973 law seems, on balance, to represent chiefly a codification of previous practice. Particularly with the latitude accorded the government for its actual implementation, it does not seem to mark a radical departure from abundant policy precedents. It does, however, in a sense consolidate the Mexican government's negotiating position vis à vis foreign business interests. Although all new investment may be required to have majority national ownership, the government is still empowered to make exceptions.

3. In terms of attitude formation, for example, there is some evidence of considerable attitudinal ambivalence among at least the younger Mexican population. Survey research conducted in 1969 among pupils in Mexican primary and secondary schools revealed strongly nationalistic sentiments and a general belief that Mexico is more democratic than the United States (perhaps on account of racism in the latter). Yet the United States was viewed overwhelmingly as a country friendly to Mexico (much more so than Russia, Cuba, or England), and older pupils perceived the United States as also offering more employment opportunities than Mexico. In spite of this, however, the large majority felt that Mexicans should stay in Mexico and only a minority would apparently like to live in the United States if they had to live outside Mexico. See Rafael Segovia, "Nacionalismo e imagen del mundo exterior en los niños mexicanos," Foro Internacional, October-December 1972, pp. 272-91. It should be kept in mind that only a small fraction of those in the primary and even secondary grades go on to university study, in which milieu one, impressionistically, seems to encounter sentiments more hostile to the United States—cultivated, perhaps, by various Marxist and nationalistic tendencies among the professoriate in certain fields.

4. An especially insightful, sensitive, and well written study by Karl M. Schmitt, Mexico and the United States, 1821-1973: Conflict and Coexistence (New York: John Wiley, 1974) merits reading by all interested in this subject.

5. One suspects that a great deal of the regard in which the murals of Diego Rivera are held by gringos stems from their apparent confirmation of many of these persisting cultural stereotypes. Certainly anyone who has chatted with many yanqui tourists in Latin America will recognize that quite a number of these prejudices persist to the present day. For that matter, the Black Legend tradition lives on also in the often quite negative interpretation of Latin American events in the U.S. press.

6. Gastón García Cantú ("México en el Mediterráneo Americano," Revista de Ciencias Políticas y Sociales, July-September 1961, pp. 7-10, 16, 23) reports some 74 invasions, threats, et cetera to Mexico by the United States between 1801 and 1878.

7. The effect of the bracero program has been much discussed but not definitely settled. It was viewed negatively by a number of groups in Mexico, for a variety of reasons, including resentment of the mistreatment and discrimination encountered by the Mexican workers in the United States. On the whole, however, it appears that the braceros themselves assessed the experience positively and assumed considerable risks to come to work in the United States, often repeatedly. As Hancock has stated it, "These men are usually of humble background and often view actions inspired by racial prejudice as the normal behavior of a superior toward an inferior" (R.H. Hancock, The Role of the Bracero in the Economic and Cultural Dynamics of Mexico, Stanford: Hispanic American Society, 1959, p. 127).

8. Reasonably representative of the more severe criticism are the articles by José Luis Ceceña that have appeared from time to time in Siempre!

9. The abundant critical works by foreign scholars have also been read with interest in Mexico.

10. A recent motion-picture documentary, "Mexico: The Frozen Revolution," captures this general type of criticism with special effectiveness.

11. In a meaningful sense, the dependencia writings represent not only an effort to take a "holistic" view of social phenomena but also something very close to a "faith commitment." Like other faith commitments of the past, including the secular one of

positivism that so influenced the científico advisors of the Porfirian period, it contains elements of a social diagnosis, elements of protest, and a call for a program of action.

12. Although Pablo González Casanova (Democracy in Mexico, New York: Oxford University Press, 1970, p. 64) asserts that in Mexico anti-U.S. sentiment has largely been replaced by a "strategy of national independence and development," the dependencia frame of reference seems to belie this.

13. "Mexico Tightens up on Foreign Investment," Business Week, 28 April 1973, pp. 94-98.

14. Research by Joseph Kahl, however, suggests that prevailing value systems in Mexico have become much less different from those of the U.S. than they once may have been. See his The Measurement of Modernism (Austin: University of Texas Press, 1968). Further light on the subject, pointing out some noteworthy differences, is found in Robert F. Peck, "A Comparison of the Value System of Mexican and American Youth," Inter-American Journal of Psychology 1, no. 1 (March 1967), pp. 41-50.

15. In general, for example, between 63 and 75 percent of the foreign news items carried in the Mexican press is derived from U.S. news agencies, 52 percent of all motion pictures shown in Mexico between 1950 and 1964 were U.S. (whereas only 24 percent were Mexican), and the average circulation of Spanish-language editions of three U.S. magazines, in 1964, exceeded by over 200,000 the circulation of the ten largest Mexican magazines, according to Pablo González Casanova (Democracy in Mexico, New York: Oxford University Press, 1970, pp. 61-63). Another study (John C. Merrill, "The United States as Seen from Mexico," Journal of Inter-American Studies, January 1963, pp. 53-66) reports that in 1960, two major Mexico City newspapers published as much material, or more, on the United States in one month as did the New York Times on all foreign countries.

16. The Brazilian economist Celso Furtado has aptly stated the essence of what is involved here in his discussion of the difference between autonomous and dependent development. In the former, the catalytic agents initiating development come from the supply side (entrepreneurship, technical innovation, and changes in relative factor prices). In the latter, it is changes on the demand side that, constrained by the capacity to import, initiate and propel development (Celso Furtado, Development and Underdevelopment, Berkeley: University of California Press, 1964).

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THE RUSH NORTHWARD:
IMMIGRATION AND UNDERDEVELOPMENT

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INTRODUCTORY NOTE FOR INSTRUCTORS

This unit, concerned with the changes resulting from rapid population growth in Latin America, and more specifically in Mexico, can be used by educators in courses in sociology, government, economics, international affairs, and others to illustrate topics dealing with change and modernization in both a national and an international context. The view is one of development as an international process, involving all nations either directly or indirectly.

In contrast to the urban bias that typifies most considerations of development problems, this unit focuses on rural-urban interactions in order to give a more balanced view. Whatever urban environment exists in currently less developed countries is in large part a function of the rural areas' population and economy, not to mention rural poverty. However remote rural Latin America may seem, it plays a significant role in national and, consequently, international events. This is, of course, especially evident to those who live in the Southwestern part of the United States.

The major objectives of this unit are:

1. to give students an understanding of population growth in less developed countries and demonstrate some of the changes and problems it can create, economically, socially, and politically;

2. to show the simultaneous and often symbiotic existence of traditional and modern culture patterns in the process of transition from rural to urban society;

3. to recognize the present situation in Latin American societies, rather than to analyze past and future changes;

4. to initiate student interest in the international effects, both direct and indirect, of internal changes in other countries as illuminatory of the international context in which we live.

Stemming from a core concern with population growth, the unit includes consideration of interrelated factors forming one dynamic process: (1) urbanization (due to rural—urban migration) leading to (2) discontinuities and gaps in employment opportunities and quality of labor by economic sector, which, in turn means (3) the division of the economy into modern and traditional subgroups, and subsequently (4) the inequalities of involvement, socially, economically, and politically.

Some of the international consequences of such internal processes might include:

1. international migration, legal and illegal, to the more developed countries in search of better social and economic conditions;

2. relocation of U.S. industries in neighboring countries to take advantage of cheaper, unorganized labor;

3. interruption or alteration of international trade patterns due to political upheavals and changes of government;

4. misallocation of foreign aid from developed countries due to misinterpretation or misunderstanding of internal events in the less-developed nations.

Suggested resources:

1. a recommended text: Oscar Lewis's Five Families. A relatively short book, its personalized, case-study approach may make a large impact on understanding of the present-day changes in Mexico. The rather negative "Culture of Poverty" used by Lewis, however, must be tempered with more recent, positive data to the contrary (that is, the integrating effects of rural-urban migration and the lack of isolation and alienation once thought to exist among the poor).

2. as an alternative to study of Mexico, Carolina de Jesus's book, Child of the Dark, on life in Rio de Janeiro, Brazil and Lisa Peattie's book, The View from the Barrio, on Ciudad Guyana, Venezuela, are very similar approaches (case studies) to contemporary urban life for populations in development transition.

Topics for discussion at the end of this unit might include:

1. population growth—its impact; the pressures it exerts on all aspects of society; the disequilibria it creates;

2. migration—its causes and effects; its benefits and drawbacks (from the point of view of the migrant, the native urban resident, and the society as a whole);

3. urbanization—its causes; its benefits; the problems created as it precedes the rate of industrialization;

4. industrialization—the importation of developed countries' technologies and labor patterns that are often inappropriate for less-developed countries; the disequilibria and disproportions created by some of the industrialization policies in Latin America;

5. dualism—the inability of the economy to absorb all labor into the modern sector; the self-perpetuating effects (vicious circle) of many traditional-with-modern patterns;

6. inequalities of participation--the different subcultures created and the different access to opportunities through dualism;

7. continuities in change—the integration of modern and traditional into unique national cultures through such processes as migration and urbanization;

8. the international sphere—how such internal events in less-developed countries can affect the larger international events, politically, socially, and, perhaps most importantly, economically.

This unit is made up of two parts: the first part deals with development problems and processes in the abstract, that is, without specific country reference, while the second part addresses itself specifically to the Mexican case. The first part is included in order to extend the understanding of development problems beyond Mexico, to other Latin American countries and to Third World nations in general. Mexico, as a neighbor of the United States, is of special interest to many Americans and stands to exert a greater impact on the United States in its own internal development by virtue of its proximity.

It is suggested that this unit be used as a teacher's guide, topics of interest to the course material being extracted and directed toward the particular student level and area of study.

PART ONE

The current phenomenon of rapid population growth in less-developed countries is a result of a decline in mortality in those countries and not a function of fertility. That is, birth rates have remained at more or less their traditional level, but more people, especially infants and children, are surviving, meaning a growth in the number of surviving children per family. This, in turn, means continued population growth for at least one generation, as more people will be surviving to childbearing age in the future. At the family level, such population growth means a greater number of older and younger people relying on the economically active family members for their basic necessities. On the other hand, it may also mean a greater number of family members able to contribute to the joint family income, since child labor is used in many such areas.

It has been observed that the birth rates are higher in rural than in urban areas, that is, that the natural population is growing more rapidly in the countryside than in the cities. The major source of employment in most rural areas is traditional, often subsistence, agriculture; there are only limited job opportunities, given fixed amounts of land per family. As family and community size grow and land availability does not, there is a decreasing amount of work available to each laborer. Such population pressure on the land creates the phenomenon called "underemployment," meaning more people are working than are necessary to produce a certain output. Thus, with a fixed price per output, there is less income per capita when too many people are involved in the production. Increasingly, the solution has been for the younger and better-educated of the inhabitants of rural communities to recognize the lack of opportunities in the country and to move to urban areas in search of better opportunities. Such migration is carried out in the hopes not only of jobs but also of better

educational opportunities, housing, health care, and living standards in general.

As the migration flows from country to city become heavier, the ratio of rural to urban residents and agricultural to nonagricultural workers begins to shift in a phenomenon known as urbanization. This shifting to greater urban proportions in the population does not mean fewer absolute numbers in the country, but only greater absolute and relative numbers in the cities. Such rapid migration to urban areas puts tremendous pressures on the living conditions in the cities; housing, sanitation facilities, transportation, and employment positions frequently cannot grow fast enough to keep pace with the growing population. These pressures affect everyone in the city, not just the in-migrants; there is less to go around for many more people.

Viewed more positively, for the greater porportion of the population to be in nonagricultural, urban settings is considered one indicator of modernization. It is noted that cities are able to offer greater educational facilities, communication, and so on to accelerate the transition to more modern attitudes and life-styles among the masses of the population. Often-cited additional advantages to urbanization are the larger, more concentrated markets available to an expanding industry sector and the larger labor force available to man new industrial positions. There are, of course, doubtful aspects to this argument, but it is possible to say that the higher concentration of people does, to a degree, facilitate the development of transportation, communication, and consumer-products marketing through greater economies of scale.

Many less-developed countries have imported the "means of development" from the industrialized nations. These "means," however, have been defined by the developed countries themselves and are often inappropriate to the conditions of most less-developed areas. That is, historically, those nations that have already developed had, as a rule, conditions of relatively abundant capital and scarce labor at early stages of development; the substitution of capital (in the form of improved technologies) for labor over time meant increasing productivity per capita, generating even more capital, and so on in an upward spiral to development. Today, however, in part due to population growth, the less-developed countries are characterized by relatively scarce capital and abundant labor, that is, the opposite of the Western historical experience. The technologies exported to the less-developed from the developed countries are not appropriate to these capital:labor factor proportions; they further complicate the population problems already existing by preventing the creation of jobs possible through more labor-intensive means and by concentrating what scarce capital there is in a small segment of the economy so that it reaches only a small portion of the population.

Certain social and legislative concepts, such as minimum wage laws, social security systems, and unionization, have been imported from the industrial nations. These "developed" concepts are also inappropriate to the less-developed conditions since they usually apply only to the small group of people employed in industrial positions; the wages of these workers tend to rise substantially above the wages of the majority

of workers unable to find modern-sector jobs. The result is a widening gap between a small, relatively well-paid group and a large, low-income group. Given the capital-intensive nature of the industrialization occurring, there is little hope for job openings in this better-paying sector to expand at an equal pace with the urban population growth.

Those people unable to secure industrial positions must seek employment in the so-called informal sector, that is, in such small, often self-styled enterprises as handcrafts, petty trade, and domestic service. As the word "informal" suggests, these occupations tend to be outside the control of social legislation that would regulate such things as wages and working conditions. Given the large numbers of people forced into these unregulated positions, the demand for their goods and services tends to be spread throughout the group, making their productivity and their income very low. In this way, their situation very much resembles the rural-agricultural one, where such underemployment created the migration process initially.

The wage gap between modern-industrial workers and other urban (and rural) residents has an effect on the type of industrial goods produced. Those earning the higher modern-industrial wages are able to demand modern-industrial products, that is, more durable and luxury goods, such as cars, refrigerators, televisions, and so on. Those employed in the very low wage jobs have little disposable income to participate in the industrial market. Consequently, their potential industrial demands, for such immediate-consumption goods as cheaper clothing, processed food, and housing materials, go unheard. The larger market available in urban areas, then, is unheeded; production is geared toward those able to afford it, not toward those who need it. This situation is self-perpetuating, since there is little opportunity for the majority of the labor force to enter the higher-wage bracket and thereby make their consumer demands felt. In turn, industrial expansion over time is unlikely, as there is little turnover in demand for the durable-consumer goods being produced after their initial introduction to the market. That is, such goods as electrical appliances, and so on need to be purchased only occasionally and are sold only to a small and relatively limited local market.

A similar situation can be observed for rural areas where some large farms have taken on capital-intensive (i.e., heavy machinery) means of cultivation. Subsistence farmers on very small plots cannot afford the price of such machinery nor would it be reasonable for them to use it, given the size of their farms. Those large farms with large and increasing productivity continue to widen the income gap between modern and traditional sectors; this situation, again, affects the structure of demand, that is, for the greater "luxury" industrial products. The employment structure is also involved, since the largest farms need only small amounts of labor to work the machinery leaving the majority of the rural population on the smallest and least productive

farms. This, as has already been discussed, is a further spur to cityward migration, which further reinforces the entire system.

The result, then, is the creation and expansion of a dual system, one modern-industrial and one traditional. The modern system can draw labor and services from the traditional sector when necessary, yet it can maintain a control over the situation by virtue of higher wages that determine the demand for various industrial products. Those in the informal sector, on the other hand, continue to aspire to modern sector jobs and the benefits it provides. The two coexist side by side, but, over time, the gap between them continues to widen. The integration of a national economy is impossible in such circumstances.

Such a dualistic system by its very nature creates great inequalities of participation in all spheres. The economic dualisms, as have already been discussed, are evidenced by high- and low-wage labor forces, one involved in a modern-industrial market, the other living at a traditional, near-subsistence level. These economic inequalities are both caused by and, in turn, further create social and political dualisms. The elite-masses dichotomy remaining from colonial social structure dictates in large part the access one has to education, job experience, and health facilities, all of which may aid or hinder entrance into modern-sector employment. With the ever-widening economic gap, social inequalities are further accentuated along income lines. As the income gap widens, so does the ability to provide for one's family and improve one's lifestyle. Politically, the system is sustained by lack of input or inclusion in decision-making by the low-income majority. Historically, there have been few political reforms to permit the large majority of the population a voice in the system. Lack of educational opportunities and exclusion from the modern economic system means lack of information and awareness of the political process. The continuation of the various inequalities allows the high-income groups to maintain their positions of power and control. Thus the social, political, and economic inequalities are all mutually reinforcing and self-sustaining, helping to perpetuate and increase the already existing dualisms.

Despite the existence and even increasing strength of some traditional patterns, changes toward modernization are also occurring. As the percentages of each nation's urban population grow, there is increasing awareness of modern life-styles Even those unable to afford the products of industrialization are able to see and aspire to them. Greater concentration of populations (in cities) has meant greater access to radio and newspaper as well as more informal communications (neighborhood organizations, etc.). Contrary to the thinking of the 1950s and 1960s, recently it has been recognized more and more that the urban poor are not typically violence-oriented, revolutionary, and the like, but rather tend to anticipate upward mobility through the established social, economic, and political processes. It can be expected that the sheer numbers of the increasing urban poor will exert pressure on the system to take

them into account. This may or may not mean that they will be granted equal participation in the city; it does mean they cannot be ignored for long.

With such internal processes occurring in less-developed countries, there are inevitable repercussions in the international arena as well. Those effects most directly felt by the developed countries are primarily economic and political, but they may be the result of internal social change in the less-developed areas. The effects most widely felt in the developed countries, particularly the United States, are probably the influx of in-migrants, both legal and illegal, from less-developed areas, and the out-migration of industry to less-developed countries. The migration to developed areas internationally is similar to the migration intranationally, that is, movement occurs away from those areas with few opportunities and toward those areas that hold the expectation of better jobs and ways of life. The movement of industries to less-developed countries is in response to rising labor costs in the home areas and cheaper labor in the new areas. Such industrial migration further accentuates the population movements toward urban-industrial areas in anticipation of modern sector jobs.

Political turnovers have been a characteristic of much of Latin American (and other Third World) history: changes in government have ostensibly been "in the public interest," though this has more often than not been a stated goal rather than an actual one. With pressures increasing on the government and other institutions to accommodate the growing population, turnovers may be decreasingly nominal, that is, at the top only, and increasingly disruptive to the national structure (whether or not actual reforms are achieved). Such disruptions may alter or interrupt international trade, affecting the price and/or availability of certain goods. In recent years, the expropriation of foreign capital in less-developed countries has become more common, disrupting some developed areas' business functions, increasing investment uncertainties, and so on. As the less-developed countries become more aware of their economic strengths—that is, the importance of their exports to the developed countries and their ability to threaten certain industrial monopolies—such trade and business disruptions may become increasingly popular. Internal tensions and pressures (owing to the inequalities and dualisms) may make political changes more dramatic—from one extreme to the other—than they have been in the past.

One final international consequence of these development problems in less-developed countries is in the area of foreign aid and loans. Too often developed countries have misunderstood or misinterpreted the internal situations in less-developed areas, frequently because of one-sided information from the high-income side of a dualist system. Consequently, much foreign aid, while perhaps well intentioned, has been misapplied in inefficient or unnecessary areas; all too often, aid goes to benefit those who are already on the upward side of the dual system, thus not only failing to help those who actually need help, but, in effect, making a bad

situation worse by furthering the inequalities.

The developed countries do not exist in isolation from the less-developed countries. There are numerous interrelations, the actions of one nation causing counteractions by another and so on in international economic, political, and social spheres. As population pressures come to press more and more urgently on the less-developed countries, the developed countries will also feel some of the effects. In order to respond in a positive and beneficial manner, the people of the developed countries will need to understand the causes of the events that affect them.

PART TWO

Mexico has experienced a very rapid rate of population growth, estimated at over 3.4 percent per year, for at least the last two decades. Between 1960 and 1970, the total population increased from thirty six million to fifty million people. Such population growth has been caused in large part by a drop in mortality levels—from over 20 per 1000 in the pre-World War II period to 9.6 per 1000 in the late 1960s—while fertility levels have remained virtually unchanged at close to 200 per 1000 over the same period. The relative political stability and the economic growth of Mexico in this century, and the subsequent improvement of health conditions, are most often cited as major facilitating conditions for such population increases. Mexican population growth, however, has not caused a mere overall expansion of an earlier population; rather, certain structural changes within the population have also come about. Trends are emerging toward a population not only considerably younger, but also marked by increasingly "wide disparities in culture, degree of urbanization, and standard of living" (Morelos 1973; Sanders 1974:1-4).

This rapid population growth has had a tremendous impact on all Mexican institutions. There are simultaneous and increasing pressures to improve the distribution of both the inputs and outputs of the national economic, political, and social systems. That is, there are growing demands for broader access to the means of production—irrigated land, credit, vocational training, to name a few—and for broader access to the final product itself: higher incomes permitting a greater consumption of goods and services. There are growing demands for jobs on the part of an ever-increasing labor force. At the same time, there are increased demands for the goods and services necessary for the subsistence of the increasing population. There are demands for a greater popular voice in governmental decision-making, as well as a demand for a more active extension of government services and protection to the expanding population. Finally, there are pressures for a social structure that allows greater upward mobility and greater access to the nation's resources (Solís 1973). The population growth is, in effect, creating pressures for a more open and flexible political, economic, and social structure in Mexico. The Mexican government, as a

very major participant in the national development process, is in a position to perceive many of these pressures and respond to them.

In meeting these new pressures in addition to the on-going national needs, the Mexican leadership has chosen in the last several decades to follow one particular path toward development. Government policies have emphasized the importance of maximizing economic growth in the short run with the long-range goal of increasing the national wealth, which is to be more equitably distributed at a later date. In other words, the stimulation of economic growth has been emphasized, often at the expense of an equitable distribution of that growth (Alejo 1971:67; Morelos 1973:302). Such policies have further impact on social and political life, tending to maintain the already existing structure of control and leadership, rather than allowing a greater flexibility and access to larger segments of the population (Stavenhagen 1974:158). As a result, relatively larger numbers of people continually pile up toward the lower end of the Mexican scale of access and participation, despite economic growth. The increasing disparities between wealthy and poor have many implications not only for the success of Mexican development but also for the social and economic relations with some other countries. Rapid and continuing population growth and the government's response, then, are central to the discussion of Mexican national development and its broader international connections.

Despite the success of the Mexican Revolution in the early twentieth century and the many legislative reforms it has enacted in the interim, the actual enforcement of the new society envisioned by the Revolution has perhaps not been quite so successful. While the old, well-entrenched landholders and elites were ousted with the Revolution, they have in many areas only been replaced with new forms of concentrated landholding and new controlling elites. New forms of unequal concentrations appeared, especially after 1940, with the end of the reformist administration of President Lázaro Cárdenas in the 1930s (Stavenhagen 1974:158; Hofstadter 1974:99-108).

Large-scale land reform programs were carried out primarily throughout the 1920s and 1930s; nearly one quarter of the national territory was redistributed under government programs (Reyes Osorio and Eckstein 1971:26). The single most important form of land redistribution in Mexico, the ejido, has allotted farm plots to individual families for their personal or cooperative use but not for sale or rent; thus fathers may pass land on to their sons but not to anyone outside the family. The ejidos are geared toward individual production on a family or small cooperative scale; ejido farmers (ejidatarios) are free to choose the type of crop and manner of production they use (Williams and Miller 1973:4). The small size of these ejido farms, however, has often left the ejidatarios without adequate protection or support from the government, despite the revolutionary aim of bringing justice to the individual small landholder. Public credit opportunities for ejidatarios are scarce, forcing the majority to borrow

from individual money lenders at excessively high interest rates (Williams and Miller 1973:7).

While many rural dwellers gained significantly from land reform measures, it is thought that redistribution measures were not sufficient nor prolonged enough to significantly alter the position of the rural peasantry in comparison to the rest of the Mexican society (Stavenhagen 1974:161). That is, on paper much of the land redistribution appears good; in practice, it has often not been so successful. Many of the ejido plots are too small and unproductive to allow a family income over a mere subsistence level (Vernon 1964:14-15; Stavenhagen 1974:163-164). This situation has worsened over time as fathers divide their plots among sons, decreasing the amount of land (therefore income) available to all (Williams and Miller 1973:3). Between 1950 and 1960, the number of ejidal families that gained at least half of their income from their ejido dropped from 84 percent to 66 percent, while the average size of ejidal families grew from 4.6 to 5.2 persons (Solís 1973:327).

Increasing numbers of young rural dwellers have no land available to them for farming, due to the already small size of the existing family plots. As much as 50 percent of the rural agricultural population is now landless; half of this landless population is under thirty years of age (Solís 1973:305-307; Borrego 1976;21; Reyes Osorio and Eckstein 1971:28-29). The result is an exceedingly large segment of landless rural laborers dependent for their very subsistence on those rural dwellers who own land to hire them as day labor. These people are most often unable to earn an adequate income or gain security or permanence of any sort. Even those who have land are often unable to earn a sufficient income. In 1960, farms of greater than five hectares (approximately ten acres) required only 59 man-days of work per hectare, while plots smaller than five hectares required only 54 man-days of work; this is in contrast to the very large farms, which require 1,024 man-days of labor per hectare (Reyes Osorio and Eckstein 1971:29). In other words, farmers of small plots are employed only a small part of the year, with their incomes reflecting this small amount of productive time. As a result, in 1960 the larger farms were making five times their 1940 incomes, while ejido farmers were making only about two and a half times their 1940 incomes and small private farmers had almost no increase at all (Solís 1973:337).

Not all land has been redistributed through the ejido system; more than half remains in private hands or government ownership. Private land ownership "is widespread and well protected under the law" (Williams and Miller 1973:3-4). "Exceptions to the redistribution pattern have been tolerated . . . . in which the control of large land parcels has continued in apparent violation of the law" (Vernon 1964:15). These large landholdings further reduce the amount of land available to the majority of farmers. In addition, the large holdings have tended to distract government interest and attention away from the smaller farmers.

While ejido landholders and other small farmers have received some benefits through government land redistribution programs over time, simultaneous development has occurred of a large-scale, government-supported "agro-industry" designed to increase the nation's crops as a part of the overall government plan to increase the nation's wealth. This large-scale sector has tended to receive disproportionate amounts of capital investment for machinery, credit, irrigation, and so on (Echánove Trujillo 1972:445; Reyes Osorio and Eckstein 1971:25; Barkin 1971:196; Solís 1973; Stavenhagen 1974:163-164). (See table 1.) The result has been the desired increase in agricultural production, especially in comparison to the more traditional, small-scale farms: .5 percent of all Mexican farms (the large-scale enterprises) produce 32 percent of the total agricultural production, while 50 percent of all farms (the small-scale enterprises) produce only 4 percent of total agricultural production (Reyes Osorio and Eckstein 1971:23-24; Stavenhagen 1974:164). (See table 2.) The disparity in production here has obvious implications for the distribution of income in the agricultural sector. The majority of agricultural workers receive only a very small share of the income generated from agricultural production. The large-scale farms generate five times the income the ejidatarios do (Solís 1973:324). The fact that the majority receive a small income further prevents farm improvements—through improved seeds, fertilizers, and so on—that could potentially increase production, first, and then income.

For the majority of agricultural workers, then, their labor is unrewarded and offers little future in a country emphasizing rapid growth (Solís 1973:342). One major consequence of these agricultural problems is a relative shift in national employment away from agriculture and toward more urban types of employment, such as industry and certain services; this shift is naturally accompanied by a shift in relative population concentrations from rural to urban areas (Sanders 1974:5). From 1940 to 1970, the number of Mexicans living in urban areas grew from 20 percent to 45 percent (Unikel 1971:258). Such a large population redistribution is in large part due to emigration from rural areas lacking in economic opportunities. The major flows of migration have been away from the poorest, most agricultural states toward the major urban areas, especially the capital, Mexico City, and the northernmost states bordering the United States (González Casanova 1965:106; Unikel 1971:257; Morelos 1973:421; Leimone 1973:559; Zubieta y Aramburu 1974:7, 22; Sanders 1974:6). These two areas, the national center and the north, rank as the most industrialized and the highest economically, and have over time (Medellín 1971; Ross 1971:87). (See map 1 and tables 3 and 4.)

In the most urban, industrial areas, there is a greater concentration of other wealth and investment, both public and private (Wionczek 1971:14; Carmona 1973; Leimone 1973). Many urban areas, then, tend to receive disproportionately large investments for both economic and social projects—for example, in education, road building, and public health care, to name a few. Such concentrations, however, are not limited only

Table 1. Distribution of Machinery and Area of Irrigation, Mexico, 1960

	Agricultural Production, 1960 (%)	Variation in Production, 1950-1960	Value of Machinery 1960 (%)	Area of Irrigation 1960 (%)
Type of farm				
Less than subsistence, less than family	4.2	-1	1.3	—
Less than family	17.1	10	6.5	3.9
Family	24.4	11	17.0	27.0
Medium-size, multi-family	22.0	35	31.5	31.5
Large, multifamily	32.3	45	43.7	37.6

Source: Reyes Osorio and Eckstein, "El desarrollo polarizado de la agricultura mexicana," in Miguel S. Wionczek, La sociedad mexicana: Presente y futuro, p. 25, cuadro 4.

Table 2. Distribution of Production and Resources, Mexico, 1960

	Number of Farms (%)	Value of Production (%)	Value of Machinery (%)
Type of farm			
Less than subsistence, less than family	50.3	4.2	1.3
Less than family	33.8	17.1	6.5
Family	12.6	24.4	17.0
Medium-size, multi-family	2.8	22.0	31.5
Large, multifamily	0.5	32.3	43.7

Source: Reyes Osorio and Eckstein, "El desarrollo polarizado de la agricultura mexicana," in Miguel S. Wionczek, La sociedad mexicana: Presente y futuro, p. 25, cuadro 3.

Map 1. Geo-Social Regions of Mexico

Source: Medellín, "La dinámica del distanciamiento económico social en México," in Miguel S. Wionczek, La sociedad mexicana: Presente y futuro, P. 389.

Table 3. Relative Poverty Index by Geo-Social Regions in Mexico, 1921, 1940, 1960.

Region	1921	1940	1960
MEXICO	100.0	100.0	100.0
South	124.3	136.1	154.4
Central-East	115.8	118.9	136.0
Central-West	106.0	109.6	111.5
Gulf	105.1	99.8	105.7
West	92.5	90.9	96.7
North	77.4	68.5	64.4
Federal District	30.5	24.3	26.6

Source: Medellín, "La dinámica del distanciamiento económico social en México," in Miguel S. Wionczek, La sociedad mexicana: Presente y futuro, p. 392, Cuadro 2.

Table 4. Initial Situation and Percentage of Regional Change, 1921-1960.

Region	Level of Poverty in 1921	Rank	Reduction in Poverty Level 1921-1960	Change (%)	Rank
MEXICO	53.1		20.0	37.66	
South	66.6	1	15.9	24.09	1
Central-East	61.5	2	16.5	26.82	2
Central-West	56.3	3	19.4	34.45	3
Gulf	55.8	4	20.8	27.27	5
West	49.1	5	17.1	34.82	4
North	41.1	6	19.8	48.17	7
Federal District	16.2	7	7.4	45.67	6

Source: Medellín, "La dinámica del distanciamiento económico social en México," in Miguel S. Wionczek, La sociedad mexicana: Presente y futuro, p. 399, Cuadro 3.

to cities; rather, certain agricultural areas have also received the lion's share of investments (in such things as irrigation and mechanization) and credit, as well as unlawfullly large landholdings already mentioned (Alejo 1971:91). Areas that receive special government attention, particularly urban areas, are naturally more likely to draw in the unemployed migrants from other, poorer parts of Mexico, since these areas have a larger social service system (education, health care, public transportation, sanitation, etc.) and a better economic climate where there is at least the hope of finding a job (Barkin 1971:200). These areas, then, are typically ones of rapidly growing population.

Despite the greater wealth and opportunity in these urban areas, such a scale is relative only, that is, there is not necessarily an adequate number of job openings or ready access to the urban mainstream. Estimates are that as much as 30 percent of the national labor force is unemployed or underemployed (Hofstadter 1974:24). The relatively greater opportunities, however, are what serve to attract the flow of rural migrants. While greater economic security and improved living conditions may not be immediately found in the city, migrants frequently have little or no alternative but to leave the rural areas in search of relatively better opportunities in the urban areas (Barkin 1971:200).

Scarcity of economic opportunities, particularly a scarcity of jobs, both urban and rural, is due, at least in part, to the government policy of stimulating rapid economic growth. In an attempt to increase national production, emphasis has been placed on many modern, mechanized industries, such as petroleum, steel, commercial agriculture, and the like (Stavenhagen 1974:164). There is a disproportionately large amount of capital investment in modern technology in those sectors receiving the greatest government attention, in comparison to those sectors that have been primarily ignored by the government (Alejo 1971:73; Echánove Trujillo 1971:445). Such large capital investments tend to drain potential investments away from other sectors receiving less public support. In this way, the sectors generating increasingly large shares of the national income are not simultaneously generating proportionate increases in employment (Reyes Osorio and Eckstein 1971:27-28; Barkin 1971:286; Echánove Trujillo 1972:442; Ibarra 1973:505; Stavenhagen 1974:176-177). "The economic system is only producing 70 percent of the jobs needed to absorb increments in the labor force" (Sanders 1974: 7). That is, certain industries are growing economically and adding to the national wealth through relatively large public and private investments, both direct and indirect; they are, however, doing so with relatively fewer and fewer workers. The major alternatives for urban employment, then, are in the primarily less productive sectors, such as small handcraft industries, personal services (maids, servants, etc.) or petty trade (street vendors, etc.) (Morelos 1973; Carmona 1973; Ibarra 1973; Sanders 1974:7; Stavenhagen 1974:177). The majority of the people are then caught between two unpalatable choices: the first, rural unemployment or underemployment, the second, urban

unemployment or underemployment; of the two, the urban alternative often seems to offer more hope, if not more immediate reward (Barkin 1971).

Areas of large and dynamic industries do, of course, demand some labor: usually, there is a preference for a small number of better-educated workers to handle increasingly sophisticated machinery. As the technologies become more complex, they may increasingly do the work that men once did, thereby decreasing the demand for labor. The labor in these modern industries tends to be unionized and well organized, thereby receiving both private and public sector protection and benefits, such as higher wages, social security coverage, and health care (Barkin 1971:194). These benefits tend to raise the wages of labor in these industries, further encouraging the use of machinery in order to avoid high labor costs. The industrial work force then is quite small in comparison to the entire work force. The result in Mexico has been a relatively small, well-paid industrial labor group and a much larger, low-income, traditionally employed labor force (Barkin 1971: Ross 1971:88). Despite the existence of trade unions and protective legislation for labor, then, more than 60 percent of the active labor force earns less than the minimum wage (Ibarra 1973:505).

Under such circumstances, the ability to buy products, especially manufactures, in the market depends in large part upon the type of job—high income industrial or low-income traditional—one can secure. Those with low incomes will be unable to buy more expensive industrial goods, which will at least to a degree limit the potential industrial growth of Mexico. "In the future, industrial growth will continue to be hampered by the limited size of Mexico's effective domestic market" (Ross 1971:59; Reyes Osorio and Eckstein 1971:18; Jiminez R. 1972:45; Carmona 1973:470; Vernon 1973: 581). Since the great majority of Mexicans are in the low-income category, the limitations on growth may be substantial: in the 1960s, 98 percent of the Mexican population received less than half of the national income; 85 percent of the population received less than 20 percent of the national income. Indications are that, if anything, these trends have worsened (Carmona 1973:460-461; Rosenzweig Hernández 1973: 495).

Those unable to enter the job market at a higher pay scale will be unable to enter the product market at a more sophisticated level; the constant presence of such a market, however, is in itself an educational tool, frequently teaching a population to aspire to a higher level of consumption. The move from a rural to an urban area, while perhaps not raising the economic level of many low-income Mexicans, may at least serve to widen their scope to a more national, or even international, level. The presence of low-income and high-income groups living together in urban areas (and the visibility of products that some can afford while others cannot) may serve to stimulate desires for upward mobility. Increasingly, there may be the demand for full participation in the higher-income circles.

Such demands for participation have social and political as well as economic repercussions. The Mexican political system since the 1930s has in large part set the tone for the economic system, by encouraging the modern over the traditional sector despite the inability—or, at least, unwillingness—of the former to employ larger numbers of people, thereby inhibiting the expansion of the economic and social benefits of an expanding economy. It follows, then, that a similar emphasis on modern over traditional sectors has been encouraged in the political and, consequently, the social sphere. That is, those groups and those geographical areas that are dynamic economically also have greater participation in sociocultural sectors (for example, education). (See table 5.) Political power is also concentrated at the top of the system, in the hands of a few; mass participation is weak and ineffective at the political level, which in turn makes demands for social development weak and ineffective (Stavenhagen 1974:191-192). Since they wield greater economic and political power, the benefited groups and geographical areas naturally receive the social benefits. The patterns are then mutually reinforcing toward a growing Mexican dualism, of modern and traditional, richer and poorer, those who participate in and those who are excluded from the national sphere.

While Mexico's overall economic growth in recent years has been very impressive, the problems accompanying such growth will become increasingly more evident and more pressing in the future. These problems are not confined only to Mexico internally, however. In recent years, many Mexicans have decided that entry to the United States, whether legal or illegal, offers them more hope for a better life than any options open to them within their own country (Echánove Trujillo 1972:356-358). The resulting controversies over illegal migrants in the United States are well known: many Americans feel that illegal migrants (and legal migrants) take potential jobs away from Americans; the additional migrant population puts pressure on the American system, for more housing, services, transportation, and so on; the complaint is frequently heard that they take more out of the system than they contribute. These are often the same points made against the migrants from rural to urban areas within Mexico. There are parallel situations arising, then, between the internal Mexican problems and the international ones.

The United States also stands to be affected by political and economic disruptions in Mexico. Should protests disturb Mexican production, whether in agriculture, industry, or services, American trade with Mexico could be disrupted. In addition, tourism between the two countries would be affected.

Americans, in turn, help to worsen some of the problems within Mexico through the type and location of investments made, both public and private (Balassa 1971:34; Navarrete 1971:125; Carmona 1973). By placing Americanized industries in Mexico, particularly in the capital and along the Mexican-U.S. border, the Americans help to stimulate migration to those areas while hiring only a relatively small number of employees, usually those with skills and more education. Such foreign industries will

Table 5. Level of Poverty (1960) and Satisfaction of the Demand for Education (1970) by Region in Mexico

Region	Level of Poverty	Satisfaction of Demand for Education Percentage			Index		
		Primary*	Intermediate#	Higher Education**	Primary	Intermediate	Higher Education
MEXICO	33.1	66.45	36.02	6.25	100.00	100.00	100.00
South	51.1	54.56	18.36	1.76	81.94	50.97	28.16
Central-East	45.0	62.36	24.98	4.07	93.84	69.35	65.12
Central-West	36.9	59.98	28.13	3.56	90.26	78.10	56.96
Gulf	35.0	62.40	26.09	3.38	93.91	74.43	54.08
West	32.0	69.09	32.20	5.44	103.97	89.39	87.04
North	21.3	73.92	43.99	6.15	111.24	122.13	98.40
Federal District	8.8	82.80	69.96	16.19	124.60	194.23	259.04

* Roughly, those children between the ages of six and fourteen.

Those from fifteen to nineteen years old.

** Those from twenty to twenty-four years old.

Source: Medellín, "La dinámica del distanciamiento económico social en México," in Miguel S. Wionczek, La sociedad mexicana: Presente y futuro, p. 407, Cuadro 4.

usually pay higher wages, accentuating the income differences within Mexico between those fortunate enough to find modern sector jobs and those still in the traditional sector. By placing industries along Mexico's northern border with the United States, American industry only serves to encourage further migration across the border for those unable to find sufficient work on the Mexican side (González Casanova 1965:108).

In addition, U.S. government loans and aid have been generously offered to Mexico, but usually without adequate attention to their application. The Mexican government, as part of its overall policy of maximizing economic growth, has put a large part of such foreign funds toward the creation and support of the modern sector, often without a simultaneous effort to bring the traditional sector into the wider national sphere of participation. While emphasis on the modern sector is desirable and necessary, it must be coordinated in such a way that the country can evolve into a self-sustaining development, not into a dual system of traditional and modern patterns, as it has at present. United States money and technical aid, then, without proper direction and application, may not serve the best interests of Mexico.

While Mexican growth and development in recent decades has been dramatic, the problems of the large, unincorporated sector must increasingly be taken into account. Policies, both national and international, must begin to take not only growth but also distribution into consideration. Pressures for greater access to participation in national circles will, in all probability, increase in the future. As recently as 1976, small Mexican farmers and low-income urban dwellers in the northwestern region of the country protested the inequalities of distribution in land and access. As their sense of exclusion and inequality grows, their protests may become louder and more frequent. The United States cannot entirely exclude itself from a role in this potential conflict, in that it has contributed to some of the existing inequalities through investment and aid and in that it stands to receive increasing numbers of Mexican immigrants if the situation fails to improve.

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